

FUTURE OF DIPLOMACY

Transforming Global Affairs Canada

Discussion Paper June 2023

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Executive Summary

After 3 decades of unprecedented security and prosperity, Canada is grappling with a shift in economic and political power away from its traditional allies and partners, a return of great power competition, increasing vulnerability to transnational threats like climate change and cyber attacks, and rapid technological change. At the same time, the fabric of Canada has evolved: Canadians are much more connected to the world than in the past, and they have higher expectations for how their government will promote and protect their interests overseas.

Global Affairs Canada stands at the forefront of Canada's international policies and operations. It has a proud history but now faces the challenge of adapting to this rapidly changing environment. Faced with similar pressures, many of Canada's allies and partners are re-investing in their diplomatic capacities. Canada must do so now, or risk losing ground to partners and competitors alike.

A revitalized Global Affairs Canada would be:

- strategic and influential where it matters: in key countries and at multilateral tables that will bear on Canada's future.
- open and connected to Canadians and the world: upping collaboration with partner departments, diaspora populations, academia and others, within and beyond Canada.
- agile and responsive to emerging challenges and opportunities: able to set priorities and reallocate resources to keep pace with a fast-changing world.
- the leading player in a whole-of-government effort: committed to leading and coordinating joined-up international engagement on behalf of all federal departments and agencies.
- equipped with a workforce that is diverse, highly skilled, bilingual, healthy and committed to excellence: a stimulating, inclusive, bilingual and representative workplace where the well-being, development and excellence of Global Affairs Canada's principal asset—its people—is paramount.

To accomplish this, the department should:

- build new policy expertise in areas critical to Canada's future: new capacity to shape international debates around the climate change, energy, security and critical minerals nexus; and cyber and digital issues; stronger capacity to anticipate and manage whole-of-government response to prolonged crises.
- increase presence abroad: in key multilateral missions, where new rules are being written; in rising G20 and other strategically important countries; through nontraditional means, including virtual; through strategic communications and digital presence.

- invest in its people: revamped recruitment, training, career management; increased diversity through lateral entry and new recruitment; strengthened official and foreign-language competencies; better conditions and support for locally engaged staff (LES); greater recognition that entire families (not just employees) are sent abroad and greater support in times of crisis.
- invest in tools, processes and departmental culture: information technology; digital fundamentals; data expertise; grants and contributions modernization; knowledge management; incentives to take smart risks and increase innovation and efficiency.

A Chief Transformation Officer, Antoine Chevrier (Assistant Deputy Minister), has been appointed to create a team and drive the transformation process for an initial period of 3 years (2023-26). He will report directly to the Deputy Minister of Foreign Affairs and with matrixed reporting responsibilities to the Deputy Ministers of International Trade and International Development. The Deputy Minister of Foreign Affairs will report on progress every 6 months to the Minister of Foreign Affairs and be held accountable for implementation.

Successful implementation will require reallocation of existing financial resources. It will also require new investments to enable Global Affairs Canada to adapt to the challenges of the coming decades.

Why does diplomacy matter for Canadians?

Global challenges today know no borders, and the prosperity, well-being and security of Canadians is directly affected by events abroad. This was evident at the height of the COVID-19 pandemic when disruptions in global supply chains led to increased prices and product shortages in Canada. Russia's invasion of Ukraine has driven up the cost of food and gas worldwide, including in communities across Canada. And rising tensions and greater instability in many regions of the world mean Canadians travelling and living abroad can face unexpected peril.

Canada's diplomatic network can help. Canadians posted to diplomatic missions abroad, working together with their colleagues in Canada and with local staff, are the eyes, ears and legs of Canada overseas. They are the first responders when things go wrong and Canadians need help. They also negotiate the rules and agreements that will directly affect Canadians, including those related to climate change and advanced technologies. During the pandemic, they evacuated tens of thousands of stranded Canadians and helped secure scarce supplies of personal protective equipment and vaccines for Canadians at home. They also provided life-saving support to assist partner countries cope with the pandemic. In the wake of Russia's invasion of Ukraine, Canada's global diplomatic network helped deliver humanitarian assistance, worked with partners on mechanisms to drive down the costs of food and gas, and became part of a broad international effort to sanction Russia and hold it accountable. In recent years, Canada's trade diplomats have criss-crossed the globe to secure major trade treaties, promote exports and attract investments, helping to create jobs in Canada by opening new markets abroad.

Canada's diplomatic missions and the work of its officials in Canada and abroad will become even more important in the future. There are nearly 200 countries in the world and Canada has diplomatic relations with almost all of them. Canada is also represented in numerous multilateral organizations. Maintaining a complex web of international relationships takes time, effort and investment. But effective diplomatic engagement means that when Canada is contending with wildfires, Mexican, Australian, American and South African firefighters come to help. It means that when Canada is short of COVID vaccines, contractors in other countries honour their commitments. It means that when Canadian citizens are arbitrarily detained abroad, the world rallies around Canada. It also means that when other countries call, particularly those in greatest need, Canada does its part.

Diplomacy is ultimately about relationships between countries. Much of the work of building effective relationships goes on behind the scenes, and progress is often slow. But Canada's relationships around the world, built and nurtured over time by generations of Canadians and local staff working at home and at missions abroad, mean that Canada can have global influence, and can bring that influence to bear, when and where it matters most. This, in turn, means greater prosperity and security for all Canadians.

1. Introduction

Global Affairs Canada stands at the forefront of Canadian foreign policy. Its staff in Canada and at missions abroad work around the clock and across time zones to advance Canada's interests and protect Canadians from existing and emerging threats. They help to create jobs by supporting Canadian exporters and by attracting investment into the country. They support Canadians abroad who are in distress. And they work with other countries to find solutions to the world's toughest problems like climate change, conflict, hunger, human rights and gender inequality.

Today's Global Affairs Canada traces its roots back to 1909 and the creation of the Department of External Affairs. The department sent the first fully accredited Canadian diplomats to London, Paris and the League of Nations in Geneva in the mid-1920s.¹ It opened legations (precursors to full embassies) in Washington, Paris and Tokyo several years later. Canada's first consulate general opened in New York City in 1943.² The department's mandate expanded to include supporting Canadian exporters when it took on the Trade Commissioner Service from the former Department of Industry, Trade and Commerce in 1982. This mandate expanded even further to include helping to reduce global poverty when it merged with the former Canadian International Development Agency in 2013. And for nearly 100 years, the department's embassies, high commissions and consulates around the world have been a port of call for Canadians abroad seeking assistance.

The organization has of course grown and changed considerably as its mandate has expanded. Today, close to 14,000 Global Affairs Canada staff serve at headquarters in the National Capital Region, in regional offices across Canada, and in 178 diplomatic missions in 110 countries across 6 continents, a network that also houses staff from multiple partner departments and provinces. By the end of 2023, it is expected that Canada will have 182 missions in 112 countries, with the establishment of a fully dedicated mission and permanent observer to the African Union in Addis Ababa and the opening of new missions in Milan, Italy; Suva, Fiji; and Yerevan, Armenia. The network of missions supports the Minister of Foreign Affairs, the Minister of International Trade and the Minister of International Development, as well as other ministers with international aspects in their mandates.

In recent years, the international environment has become more complex, and the pace of change has increased. The global pandemic, the Russian invasion of Ukraine, the rise of an increasingly disruptive China, and the growing effects of climate change have demonstrated to Canadians that the security and prosperity they have enjoyed since the end of the Cold War cannot be taken for granted.

¹ Canadians served in London and Paris from the late 19th century onward, where they functioned as Canada's representatives but did not enjoy diplomatic status. The Imperial Conference of 1926, which acknowledged the equality of the Dominions with the United Kingdom, paved the way for full diplomatic status for Canada's representatives abroad.

² Canada has consulates and consulates general in large commercial and other non-capital cities around the world. These support Canadian companies and provide passport and other services to Canadian travelers and residents. Many Canadian consulates and consulates general host staff from a range of federal government departments.

The last major study of the department and, in particular, its foreign service, took place in 1981—a Royal Commission led by Pamela A. McDougall, then Deputy Minister of National Health and Welfare.³ Recognizing that the department needed to adapt to new and emerging global realities, on December 16, 2021, Prime Minister Justin Trudeau asked Minister of Foreign Affairs Mélanie Joly to "lead Canada's contribution to addressing global challenges, including by [...] strengthening Canada's diplomatic capacity."

In May 2022, Minister Joly launched the "Future of Diplomacy: Transforming Global Affairs Canada" initiative alongside the Deputy Minister of Foreign Affairs. Drawing on a comprehensive process of consultation, reflection and prioritization, this internal review suggests various ways Global Affairs Canada can be strengthened to more effectively promote and protect the interests of Canada now and well into the future.



³ McDougall, Pamela A. Royal Commission on Conditions of Foreign Service. Ottawa, Ontario: Privy Council Office, 1981. <u>https://publications.gc.ca/collections/collection_2014/bcp-pco/Z1-1980-2-eng.pdf</u> Future of Diplomacy: Transforming Global Affairs Canada

2. Drivers of Change

The end of the Cold War in 1989 ushered in a period of unprecedented globalization and interconnectedness, centred around the pre-eminence of the United States and a widely accepted web of international rules, founded on democratic principles. Canada, surrounded by 3 oceans and bordered by a friendly superpower and the world's largest market, thrived. Its multilateral diplomats were active in disarmament talks and the decommissioning of Soviet-era weapons and ammunition stockpiles. The 1997 Ottawa Convention (also known as the Anti-Personnel Mine Ban Treaty) showed global Canadian leadership.

Canada's trade diplomats criss-crossed the world during this period, such that by 2020 Canada had preferred access to 61% of the world's GDP⁴ (accounting for 1.5 billion consumers) and was the only G7 member to have a free trade agreement with all other G7 countries. Consular services also increased dramatically as more and more Canadians travelled abroad, and to more distant places. Canadian development assistance contributed to a steadily declining global poverty rate, which reached a historic low prior to the COVID-19 pandemic. By 2019, 3.5 billion people had achieved the health and income levels enjoyed by only 1.3 billion in 2000.⁵

In recent years, the global context has changed significantly. The post-Cold War period of globalization is transitioning to a new era of growing complexity and myriad emerging threats and obstacles, rooted in the following major trends.

2.1. Shift of economic and political power to the south and east

In the mid-1970s, G7 countries – France, U.S., U.K., Germany, Japan, Italy, and Canada –accounted for roughly 63% of global GDP.⁶ This meant, in a very real sense, that when the G7 took a position, the rest of the world followed. The G7's share of the global economy, which had increased to 66% by the end of the Cold War, now stands at 44%. In 2023, China alone accounts for 18% of current world economic output. Canada has slid from the seventh largest economy in 1976 to 10th today.⁷ The shift in economic power has led to changes in the political realm. China, India and other emerging economies are on the rise and, collectively, the BRICS (Brazil, Russia, India, China and South Africa) are aiming to redefine key elements of existing international rules and norms and are actively building new institutions and writing a new narrative in support of this approach. Some developing countries and emerging economies feel pressured to choose between spheres of influence, especially given the growing divide between

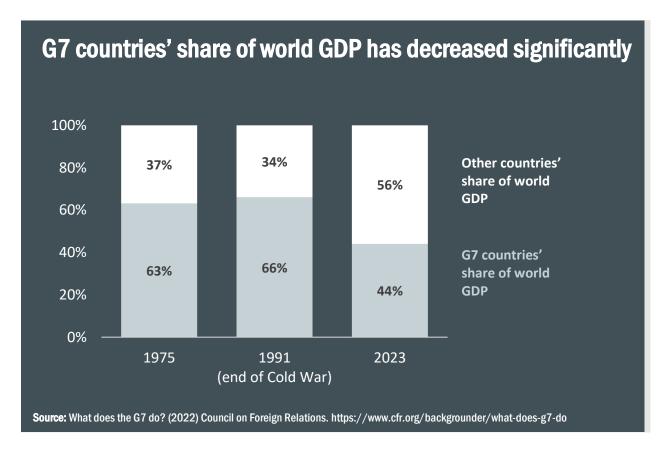
⁶ What does the G7 do?" (2022) Council on Foreign Relations. https://www.cfr.org/backgrounder/what-does-g7-do

⁴ State of Trade 2022: The Benefits of Free Trade Agreements, Global Affairs Canada,

https://www.international.gc.ca/transparency-transparence/state-trade-commerce-international/2022.aspx?lang=eng ⁵ Chris Bradley, Marc Canal, Sven Smit, and Jonathan Woetzel, December 2022 "The Correlation Between GDP and Life Expectancy, Chapter 2: A Miracle of Widespread Progress: a 20-year journey of health and income" McKinsey Global Institute, https://www.mckinsey.com/mgi/our-research/pixels-of-progress-chapter-2

⁷ "Shift of global economic power to emerging economies set to continue in long run, with India, Indonesia and Vietnam among star performers." PwC. <u>https://www.pwc.com/id/en/not-migrated/shift-of-global-economic-power-to-emerging-economies-set-to-cont.html</u>

democratic and authoritarian regimes. All of this means that the map of world power has been gradually tilting to the south and east, while Canada and its closest partners remain largely in the north and west.



2.2. Return of Great Power competition and rules-based order challenged

After 40 years of relative peace and prosperity, great-power rivalries have re-emerged. China's rise as a global player in both economic and military terms is presenting a direct challenge to the rules-based international order. Russia has dropped all pretense of respect for sovereignty and territorial integrity and has reverted to military aggression, launching the most brutal war in Europe since WWII. There is increasing cooperation between China and Russia, including in the Arctic, where Canada, the United States and Nordic partners are facing a new geopolitical reality. In parallel with the dawning of a new multipolar era, there has been a clear weakening of agreed international rules. Conflicts between states are on the rise, with 56 recorded in 2020,⁸ the highest number since the early 1990s. These crises are longer, more protracted and less responsive to traditional forms of resolution. Further, democracies are facing significant challenges,

⁸ Julia Palik, Anna Marie Obermeier, Siri Aas Rustad, "Conflict Trends: A Global Overview, 1946-2021" Peace Research Institute Oslo, PRIO Paper 2022, <u>Conflict Trends: A Global Overview, 1946–2021 - World | ReliefWeb</u> Future of Diplomacy: Transforming Global Affairs Canada



including the rise of malign populism, which in some countries has further undercut the rules-based international order.

2.3. Increased impact of transnational forces

Canada is also facing complex challenges that are transcending international borders and lie beyond the control of single states. Hostile state and non-state actors, cyber threats, organized crime, weak international governance and waning rule of law are just some examples. Migratory pressures are increasing, as millions of people around the world flee conflict and other threats. The COVID-19 pandemic showed all Canadians their vulnerability to threats coming from beyond their borders. It also brought home the importance of reliable and resilient supply chains. More recently, the spillover effects of Russia's invasion of Ukraine have underscored how millions of people around the world remain vulnerable to food insecurity. And, of course, the entire planet is facing the existential threat of climate change which, among other impacts, has led to a fivefold increase in natural disasters over the past 50 years, which in turn has resulted in a sevenfold increase in economic losses from the 1970s to the 2010s.⁹ Tackling climate change and related issues such as biodiversity loss and mass migration requires extensive international collaboration, but also major investments, including by Canada.

2.4. New technologies and new domains of competition

Everywhere they look, Canadians see their world changing and the pace of change accelerating. New technologies are transforming production and labour demands in unprecedented ways. Canadians have already felt these dynamics in their professional and personal lives, yet even bigger changes may be on the horizon. Newer technologies such as artificial intelligence (AI)-powered by machine learningquantum computing and advances in biotechnology may prove to be more significant than the invention of the printing press or the Internet. It is impossible to know if the digital and related revolutions will ultimately have a positive impact on international relations, allowing countries to work together more collaboratively and efficiently, and increasing democratic development. But new technologies are already presenting new threats, in the form of military technologies developed by adversaries; technologically enabled authoritarianism; increased cyber threats; misinformation; and Al-driven disinformation, all of which threaten Canada's democracy, prosperity and national security. Technological advancement is also leading to new areas of geopolitical rivalry, including in space and on the deep seabed. There are opportunities here for Canada, but new threats as well. This is why Canada needs, more than ever, to be present in every international forum that will influence the development of new international norms and rules related to emerging technologies.

⁹ World Meteorological Organization "WMO Atlas of Mortality and Economic Losses from Weather, Climate and Water Extremes (1970-2019)", WMO-No.1267, 2021.



2.5. A rapidly changing Canada

Finally, Canada today is not the Canada of several decades ago. The Indigenous population in Canada grew 56.8% between 2006 and 2021—nearly 4 times faster than the non-Indigenous population.¹⁰ Significant demographic and social shifts have changed what Canadians expect of their government internationally and how it should represent and serve them abroad. Almost one-quarter of the population in Canada was born outside of Canada, the highest among the G7, with this percentage projected to climb as high as one third of the population within the next 20 years. In large metropolitan areas like Vancouver and Toronto, nearly a quarter of children start school with neither English nor French as their first language.¹¹ India, China and Afghanistan were the top 3 source countries for new Canadian permanent residents in 2022; the overall share of new immigrants to Canada from Nigeria, the Philippines, France, Pakistan, Iran, the United States and Syria is also rising.¹² The rise of modern, affordable travel and telecommunications (including social media) means that all Canadians can be more connected to the world outside their borders. It also means that new Canadians can maintain stronger linkages to their countries of origin.

Global Affairs Canada has of course been adapting to these drivers of change. It has undertaken new programs and investments in recent years to augment its diplomatic outreach and international engagement, create more spaces and opportunities for collaboration with allies, like-minded and non-traditional partners, improve services to Canadians abroad, support developing countries in key areas such as climate change, and expand its presence in strategic locations critical to Canadian prosperity, security and people-to-people connections. These investments include:

- Strengthening security and preparedness at missions abroad (2017). The department is investing \$1.8 billion over 10 years to improve security and ensure it can fulfill its duty of care obligation to its employees and other Canadians serving in its missions abroad.
- Increasing climate finance (2021). Global Affairs Canada is programming a significant portion of the \$5.3 billion over 5 years that Canada is providing to support developing countries' efforts to combat climate change and prevent biodiversity loss.
- Increasing consular capacities (2022). Global Affairs Canada is investing \$101.4 million over 6 years to improve communications with Canadians abroad and strengthen support in times of crisis.

¹⁰ Statistics Canada "Indigenous population continues to grow and is much younger than the non-Indigenous population, although the pace of growth has slowed", September 2022, <u>https://www150.statcan.gc.ca/n1/daily-guotidien/220921/dq220921a-eng.html</u>

¹¹ Statistics Canada. Table 98-10-0219-01 Mother tongue by age: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts.

DOI: https://doi.org/10.25318/9810021901-eng

¹² "Government of Canada, IRCC Monthly Updates, "Canada: Permanent Residents by Country of Citizenship" 2022, <u>https://open.canada.ca/data/en/dataset/f7e5498e-0ad8-4417-85c9-9b8aff9b9eda</u>

- Indo-Pacific Strategy (2022). As part of the government's \$2.3-billion Indo-Pacific Strategy, Global Affairs Canada is investing \$637.7 million over 5 years to enhance support for Canadian exporters; increase development assistance to partner countries, including for disaster risk reduction; strengthen people-to-people ties via scholarships; and enhance security, including cyber security.
- Augmenting China capacity (2022). The department is coordinating an investment of \$35 million over 5 years to build China-focused analytical capacity across its global mission network and within the wider federal government; enhance interdepartmental policy coordination; expand collaboration with provinces and territories; and strengthen engagement with Canadian researchers and civil society.
- Expanding presence abroad (2023). The department will have invested \$110 million by the end of 2023 to: establish a fully dedicated mission and permanent observer to the African Union in Addis Ababa; convert Canadian offices in Estonia, Lithuania, Slovakia and Rwanda into full embassies and high commissions with resident heads of mission; and open new missions in Armenia, Fiji and Milan. The department will also further strengthen its presence at its embassy in Latvia in 2024.
- Creating a more diverse workforce and healthier workplace (ongoing). While there is more work to be done, implementation of a department-wide Anti-Racism Strategy and Action Plan, as well as a Reconciliation Action Plan, are underway. A total of 26.2% of the department's Canada-based employees¹³ are visible minorities and half of all heads of mission¹⁴ are women. In February 2023 the department established an ombud's office to promote a work environment in which everyone is treated with respect and dignity.

These recent investments and initiatives are a good start and can be built upon. But Global Affairs Canada has not yet undertaken the kind of comprehensive and ambitious modernization exercise needed to fully respond to changes in both Canada and the wider international context.¹⁵ Some of Canada's partner countries have already embarked on concrete initiatives to respond to the evolving global environment. The United States, for example, launched its "Modernization of the State Department" exercise in October 2021 (prior to this, its last major change was the adoption of the landmark Foreign Service Act in 1980). In 2023, France completed its own diplomatic service review, which will lead to 700 additional positions and an increase of 20% of the ministry's annual budget. In Canada's own Parliament, the Senate's Standing Committee on Foreign Affairs and International Trade is studying the "Canadian foreign

¹³ Canada-Based Staff (CBS) is a designation primarily used at Canadian missions abroad to distinguish between diplomatically accredited Canadian public service employees, and staff hired locally, usually from the host country. ¹⁴ Canada uses the term head of mission or "HOM" to describe ambassadors, high commissioners (HOMs in Commonwealth countries) and consuls general.

¹⁵ Earlier efforts include a Transformation Agenda, launched in 2007, designed as a department-wide exercise to ensure that policies, programs and operations were aligned with Government of Canada priorities. Among other reforms, the Transformation Agenda resulted in the creation of the International Platform Branch as a single window for common service delivery for all government departments operating within the diplomatic and consular framework. In addition, a strategic review launched by the Trade Commissioner Service in 2017 led to an increase in positions in key overseas markets and in Canada.



service and elements of the foreign policy machinery within Global Affairs Canada" and will report in December 2023.

3. What kind of global affairs department does Canada need?

To serve Canada and Canadians effectively, Global Affairs Canada must be able to:

- mobilize, convince or dissuade foreign governments and international organizations on issues that affect the security and prosperity of Canadians.
- help to create prosperity in Canada by leading trade negotiations and providing services and advice to Canadian businesses to help them succeed abroad, and by attracting foreign investment into Canada.
- manage Canada's international assistance in support of efforts to eradicate global poverty and contribute to a more peaceful, prosperous and inclusive world.
- deliver world-class services and information to Canadians to help keep them safe overseas.

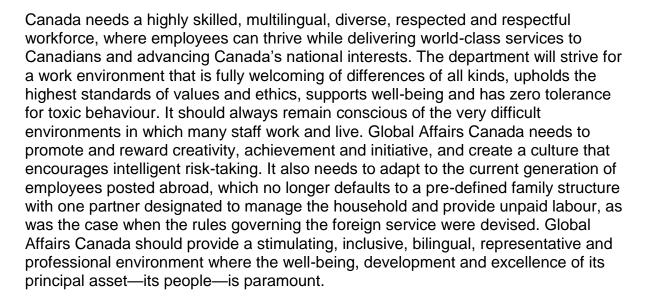
Global Affairs Canada must play a consequential role on priority international issues, be able to help Canadians navigate challenges, and support the development of integrated, whole-of-government strategies. Federal government partners look to Global Affairs Canada to chart the overarching direction for Canadian foreign policy, gather stakeholders, lead Canada's global engagement on a myriad of issues, and support their own important mandates and international engagements. Likewise, provinces, territories, the private sector, civil society and academia expect Global Affairs Canada to frame the agenda on crosscutting global issues that intersect with their own responsibilities and interests. Finally, the department must maximize the advantages of having all the major elements of modern international engagement—foreign affairs, international trade, international development, and consular policies and programs—under a single roof. To be truly effective, Global Affairs Canada must be much greater than the sum of its parts.

Canada needs a department that is:

Strategic and influential where and when it matters. Canada needs a department that can effectively articulate, coordinate and deliver a full global agenda and strategically communicate and engage with Canadians and the world. Global Affairs Canada must be able to do this at the heart of multilateral organizations where rules are written that will shape the international context for decades to come, and where existing norms are being challenged and new ones developed. The department must also be strategic and influential with the world's new and emerging powers, while

maintaining the flexibility to pivot in keeping with Canadian interests. And Global Affairs Canada must of course continue to work closely and strategically with countries that are traditional allies and close friends, where Canada's future alignment will matter even more.

- Open and connected to Canadians and the world. A 21st-century global affairs department needs to anticipate, analyze, understand and address emerging foreign policy issues. To do so effectively, it must be open to the breadth and wealth of globally minded expertise and international experience available, including at universities and think tanks in Canada and abroad, diaspora populations, in other federal government departments and at other levels of government. For too long, Global Affairs Canada has kept its circle of trusted partners a small one; the department should become "open by default." This implies new partnerships and a readiness to facilitate exchanges and hiring to increase expertise, coordination and intersection of domestic and global issues.
- Agile and responsive to emerging challenges and opportunities. The department must be smart enough to anticipate challenges and opportunities, and agile enough to respond effectively. Criticisms that the department has sometimes been slow to react or not focused enough on emerging issues have some legitimacy. Becoming more agile means not only gaining a better understanding of the evolving external context but also developing a culture of learning and effective knowledge management, prioritization and proactive resource reallocation to ensure effective response.
- The leading player in a whole-of-government international policy effort. Over the last 3 decades, federal departments have developed a much more active presence on the international scene. Their priorities have become increasingly enmeshed in global issues and they have sought international cooperation across all sectors (e.g. the Public Health Agency of Canada, especially during the COVID-19 crisis, Natural Resources Canada, on critical minerals; Environment and Climate Change Canada on climate change, environmental degradation and pollution). Federal departments and agencies now have substantial international capacity and are increasingly active abroad. Similarly, other levels of government in Canadaprovinces, territories and municipalities—are increasingly engaged in international relations and advancing their own international priorities. Global Affairs Canada has played facilitator and convenor roles during this evolution, but this can fall short of delivering fully coordinated international activity. There is an opportunity for the department to provide a renewed level of partnership in helping coordinate strategy, tactics and long-term agendas related to the federal government's activities abroad. There are specific areas where the department will need to play a more active role filling gaps and connecting dots, as almost all domestic policy issues now feature critical international dimensions.
- Equipped with a workforce that is diverse, highly skilled, bilingual, healthy and dedicated to excellence. Canada is one of the world's most diverse countries and Global Affairs Canada must reflect and represent that diversity. Global Affairs



4. How to Get There? Action Areas and Recommendations

The 4 action areas and recommendations that follow are the result of an extensive process of consultation, analysis and reflection over many months. The department conducted more than 80 consultations with Global Affairs Canada staff from headquarters and missions, inclusive of all business lines, as well as with the Diversity and Inclusion Council, the Anti-Racism Secretariat, and unions. Wide-ranging consultations also took place with countries undertaking similar modernization exercises, other federal government partners, provinces that are co-located at Canada's missions abroad, former senior officials, and other key stakeholders. In total, over 9,000 individual ideas and submissions were received and considered.

In addition, the department benefited greatly from an external advisory council to the Deputy Minister of Foreign Affairs, which also engaged with other countries and consulted key stakeholders, such as current and former heads of mission and the Global Affairs Canada Young Professionals Network.

Overall, there was a remarkable degree of convergence among those consulted. While there were some differences in emphasis, most (in both Canada and elsewhere) agreed that true change would come by focusing on some combination of policy expertise, presence abroad, people and the processes and tools needed to carry out the department's multiple mandates.

The recommendations that follow are therefore structured around 4 key "action areas."

- (FM)
- 1. Build new **policy** expertise and capacity to manage prolonged crises.
- 2. Increase presence abroad.
- 3. Invest in the people of Global Affairs Canada.
- 4. Invest in the department's tools, **processes**, and culture.

The action areas should not be seen as discrete or siloed but rather as a mutually reinforcing package to prepare the department for the challenges of today and tomorrow.

4.1. Build new expertise on international issues key to Canada's future, and increase capacity to anticipate and manage prolonged crises

a) Why?

Canada faces a wider range of complex and layered issues than ever before, as explained above. Given the current pace of change, Global Affairs Canada should increase its ability to anticipate and analyze global trends that matter for Canada and prepare policy prescriptions to address them and protect Canadian interests.

At the same time, recent experiences in Afghanistan, Ukraine, Sudan and Haiti have shown that crises initially perceived as "international" can quickly take on significant domestic policy dimensions (e.g. sudden influxes of refugees) or continue for a protracted period. As Canada's leading department on all things international, Global Affairs Canada must continue to provide a robust whole-of-government platform to support Canada's operational and policy response to short-term and protracted crises in an increasingly complex world.

b) How?

- Increase capacity in key policy areas. The evolving global landscape demands a deepened understanding and engagement with issues such as climate change, energy, global health, global finance, cyber security and emerging technologies, geo-economics, and multilateral diplomacy.
 - While all these policy areas demand greater attention from Global Affairs Canada, the department's immediate priority should be to increase its policy capacity on **climate change**, including in relation to the energy security and critical mineral nexus. This is needed given the significance of these issues to Canada's future, their growing importance to Canada's bilateral and multilateral engagements, and for Canada's leadership in global climate financing. Working closely with partner departments, including Environment and Climate Change Canada, Natural Resources Canada and Innovation, Science and Economic Development Canada, and further leveraging the role of Canada's Climate Change Ambassador, Global Affairs Canada should help increase understanding throughout government on a range of issues. They include how geopolitical competition intersects with Canada's economic security, supply-chain resilience



and emerging industrial policies, and how the interplay between climate change, the green transition and Canada's critical minerals will be key to the country's future positioning internationally.

- Priority should also be given to expanding capacities and mandates within existing units responsible for cyber and digital issues, both at headquarters and at select missions abroad, with a particular focus on science and technology, artificial intelligence and big data, and the relevance of these issues for Canada's foreign policy, including to influence norm-setting internationally.
- The enhanced policy capacity should build on existing departmental expertise and deepen cross-fertilization with other federal and provincial departments where technical and scientific knowledge resides. This would require engaging new experts from outside the department (or bringing them in via Interchange or similar agreements), drawing from academia, industry and civil society.
- Increase overall capacity to understand the implications of key geopolitical and geo-economic shifts and to act on them early, in pursuit of Canada's interests. The world of 2035 will look very different from the world of today. With short-term challenges that demand significant time and intensive engagement, it is easy for foreign, trade and development policy to become reactive and risk averse. Exactly the opposite is needed. Global Affairs Canada needs to build new policy capacity to provide the government with longer-term strategic thinking on the international and global issues that will shape Canada's security and prosperity in coming decades.
 - An Open Policy Hub would be responsible for high-quality, evidence-based policy development and analysis as well as advance warning and foresight. This Hub would be open by design, and constitute a networked, multidisciplinary centre integrating expertise from domestic and international stakeholders to inform analyses and test emerging trends. It would use a range of modern tools and methodologies to provide horizontal policy analysis on global trends and challenges that cut across geostrategic, economic, trade and international assistance issues. It would further work with academic hubs and networks across the country to benefit from Canadian academic community knowledge and expertise. It would also draw from non-governmental organizations, civil society, think tanks and political risk professionals, the private sector, provinces and territories, and the Canadian public. Insulated from the demands of daily departmental operations, it would be the natural docking point for domestic and international thought leaders, researchers, analysts, data scientists and historians, and benefit from the Interchange program or similar agreements for them to be hosted by the department. The Hub would also manage a "challenge platform," a mechanism for continuing feedback and consultations to foster constructive debate between employees and the wider policy community and help to identify blind spots in Canada's foreign affairs, trade and development policy approaches.
 - Increase capacity to anticipate and manage whole-of-government response to geopolitical and security crises. International crises are becoming more frequent.



Recent experience with the COVID pandemic, Afghanistan, Haiti, Sudan and the Russian invasion of Ukraine shows that crises are also becoming more complex and protracted, often requiring simultaneous humanitarian, political, security and consular interventions that last for months and sometimes longer. Better foresight and trend analysis capacity would help Global Affairs Canada and its partners anticipate and prepare for the inevitable crises of the future. But Global Affairs Canada should also have a more robust and integrated approach to managing international crises through their various phases.

Building on the department's existing consular crisis response platform (the Emergency Watch and Response Centre) and humanitarian crisis response capacities, the establishment of a standing geopolitical response capacity would enable the department to respond more effectively to major protracted political and security crises without compromising regular business activities. Permanent and surge resources would be set up to bolster the department's ability to manage the whole-of-government response to international security and political crises that are not primarily consular or humanitarian in nature and/or once the crisis becomes protracted. This capability would be built around a flexible core of experts who understand and could perform core aspects of effective long-term geopolitical crisis management. It would include headquarters-based staff to provide policy support, including the rapid drafting and consulting of memoranda to Cabinet. These experts would work closely with missions abroad as well as with geographic and functional branches and other government departments. Once this standing geopolitical crisis task force capacity has been built and road-tested, the department will explore moving toward the establishment of a permanent crisis-response centre that would integrate all streams of crisis-response work (mission security, consular, humanitarian/natural disaster and security/political), noting the possibility of realizing economies of scale.

4.2. Enhance Canada's capacity to exert influence by increasing its presence abroad, including at multilateral tables

a) Why?

Diplomacy is about influence—the ability to convince or dissuade others in service of Canada's interests around the world. Overseas, Canada exercises influence primarily via its network of diplomatic missions, which conduct a range of activities in support of Canada's foreign, development and trade policy objectives, including programs that provide direct financial support to partner countries to combat climate change, conflict and hunger, and promote gender equality.

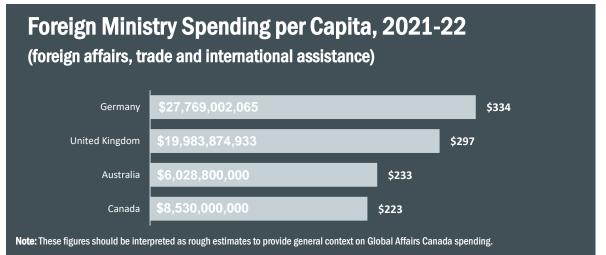
Canada's diplomatic missions are headed by ambassadors, high commissioners and other senior officials who serve as heads of mission (HOMs). They lead teams who are specialists in foreign policy, trade promotion and investment attraction, consular affairs and international development. These teams include Canadians posted abroad and locally engaged staff (mostly nationals of host countries) who directly deliver programs



and provide common services for mission operations for a broad range of federal departments and agencies, and Canadian provinces.¹⁶ Canadian missions abroad regularly host visits from the Prime Minister and other Cabinet ministers, provincial premiers, senior officials from across government, trade delegations and leading cultural figures, all of which helps to increase Canada's influence abroad.¹⁷

Global Affairs Canada's network of missions abroad, and the quality of its people who serve there, is its greatest value-added to Canadian government policies and programs. It is expected that by the end of 2023, the current network will be comprised of 182 embassies, high commissions and consulates in 112 countries.¹⁸

While the number of Canadian missions abroad has remained relatively stable over time,¹⁹ Canada's overall presence and ability to exert influence abroad has not kept pace with evolving global realities. The chart below shows spending by like-minded foreign ministries on a per capita basis, including on their missions abroad.



Source: Figures are drawn from the budgets, financial reports, and websites of these countries' respective governments and MFAs. Population and GDP data were drawn from IMF reports. Note: Where foreign affairs, international trade, and development mandates are split over multiple agencies, respective budgets were tallied. These figures have not been vetted by the Australian, German or UK relevant authorities.

¹⁶ Global Affairs Canada provides the international platform for 21 government departments and agencies working abroad in its missions, 3 Crown corporations and 6 provincial governments. For example, at Canada's embassy in Washington D.C., there are 15 co-locators, including: Agriculture and Agri-Food Canada; Alberta; Canada Border Services Agency; Department of Finance Canada; Immigration, Refugees and Citizenship Canada; Innovation, Science and Economic Development Canada; Ontario; Public Safety Canada; Public Services and Procurement Canada; RCMP; and Transport Canada, for a total of 99 CBS and 36 LES. In some of Canada's missions, such as in New Delhi, there are more CBS belonging to IRCC (34) than those belonging to Global Affairs Canada (30). In a small number of places, Canada's missions also support the co-location of other countries' missions, such as the United Kingdom in Port-au-Prince, Haiti and Australia in Kyiv, Ukraine.

¹⁷ International summitry is a much greater feature of modern diplomacy than in past years. The 2023 Japanese G7 presidency will see 14 different Canadian ministers, plus the Prime Minister's visit to Japan in 2023; the current Indian G20 presidency will see 15 different Canadian ministers, plus the Prime Minister, visit India in 2023.

¹⁸ An individual country can have only 1 embassy or high commission but multiple consulates general and consulates. In the United States, Canada is represented via the embassy in Washington and 16 consulates general or trade offices around the country. In China, Canada has an embassy in Beijing and 4 consulates general. In India, Canada has the high commission in New Delhi, plus 7 consulates general or trade offices. In Mexico, Canada has an embassy in Mexico City and 8 consulates general and other consular agencies, owing to the large number of Canadian tourists and residents in that country.

¹⁹ The number of missions abroad has hovered around 175 for the past 20 years. The high point was 180 in 2012. It will reach 182 by the end of 2023.

The number and composition of Global Affairs Canada staff posted abroad have fluctuated over time, mainly because of various rounds of expenditure reviews (positions abroad are much more expensive than at headquarters) and technological progress (several functions once performed by employees overseas are now automated, require much less human intervention or can be performed by headquarters). The high point was at the end of the Cold War in 1990, when there were 2,993 Canada-based staff (CBS) overseas. The number had declined to 2,014 by 1998. In 2022 there were 2,777 CBS²⁰ posted abroad.

Canada's representation at the UN today is one of the lowest among G7 and G20 partners and competitors alike, despite Canada's rank as the UN's seventh largest financial contributor. The UN system is at the centre of norm setting and rule development across a wide spectrum of issues critical to Canada's future (e.g. development of 6G technologies, rules around use of the deep seabed). Canada's long-term interests demand that its diplomats be in the rooms where this is happening.



Sources: CHART ON LEFT: PRMNY paper 2021: Aligning Canada's Interests & Human Resources at the UN in New York; PRMNY, Feb 8, 2023. CHART ON RIGHT: Global Affairs Canada; Department of Foreign Affairs and Trade, Australian Government; Ministry of Foreign Affairs, Norway; Ministry of Foreign Affairs, Republic of Korea; Ministry of Foreign Affairs, Japan; Federal Foreign Office, Germany; Ministry for Europe and Foreign Affairs, France; Foreign, Commonwealth and Development Office, United Kingdom; Ministry of External Affairs, India; Ministry of Foreign Affairs, Türkiye; Ministry of Foreign Affairs, Brazil; Department of International Affairs and Cooperation, South Africa. **Note that Canada's FTE number includes OGDs (7 FTEs) but excludes common services and sunsetting positions. Canada and like-minded country numbers include national diplomats and LES; China and Russia do not have LES.*

²⁰ This number includes Canada-based staff from Global Affairs Canada, other government departments and agencies, and provinces.



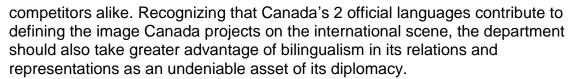
b) How?

Where and how Canada is represented abroad merits new consideration. While advances in technology offer new possibilities for virtual and hybrid global engagement, strengthened presence on the ground is required to report, advocate and represent Canada's strategic interests where it matters most. This may also require looking at where presence should be reallocated, to support areas where Canada's interests are greater.

Global Affairs Canada should:

- Strengthen presence in the international bodies that matter most to Canada. As a founding member and leading contributor to many multilateral organizations, Canada could make much better use of the multilateral system.
- Global Affairs Canada should update the baseline footprint of its UN flagship mission in New York, and review Canada's capacity at other UN missions in Geneva, Vienna, Nairobi, Rome and The Hague.
- The department should also assess the adequacy of representation at other key multilateral missions such as NATO, OAS, OECD, OSCE and WTO, as well as ensuring adequacy of resources dedicated to the work of the Arctic Council, IMF, and the World Bank.
- The department should also develop a strategy to proactively identify, recruit and promote Canadian candidacies for appointment or election to the UN and other international organizations, including at relatively junior levels, as other countries do. It should also take greater advantage of secondments/interchanges across multilateral institutions and renew participation in the UN Junior Professional Officer Programme.
- Strengthen presence in key G20 and other strategically important countries. Canada needs an enhanced ability to advance its core interests in countries with growing international influence, either economically or strategically. This implies stronger presence throughout the group of G20 countries,²¹ but particularly those where Canada's presence has traditionally been thin. Beyond the G20, Central Asia could become a strategic link between Europe and Asia; the Balkans and Central America remain fragile regions where an enhanced Canadian presence would be helpful, including to allies; Africa continues to be the continent with the most promising economic growth prospects, and where Canada remains under-represented. Increases in mission presence in the China network, as well as in eastern Europe and the Caucasus, along with the proposed additions under the Indo-Pacific Strategy, are a good start, but more is required if Canada is to keep pace with partners and

²¹ The members of the G20 are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Türkiye, the United Kingdom, the United States and the European Union.



- Develop and implement a mechanism to regularly review and rebalance presence abroad. The department is developing and implementing a governance structure and mechanism to regularly review and rebalance positions abroad, with the intent of ensuring ongoing and flexible alignment with Canada's strategic interests. The establishment of a culture of prioritization and recalibration against priorities is an important one, especially considering that presence abroad is expensive: positions overseas can cost significantly more than positions in Canada.
- Pursue innovative means of promoting Canadian interests abroad. While nothing beats the effectiveness of being "on the ground," the department should also be smart about where and how it invests to deliver on its foreign policy. development, consular and international trade mandates. Technology provides untapped opportunities to do things differently. For instance, monitoring and reporting on multilateral meetings that are streamed online could potentially be done from headquarters or anywhere else in the world. At the same time, positions overseeing program delivery of hundreds of millions of taxpayer dollars should be as close as possible to where those dollars are being spent. Building on its earlier "Mission of the Future" work, Global Affairs Canada should explore innovative forms of global representation and engagement to complement its physical presence abroad. The technological shifts spurred by the pandemic allow for greater experimentation: in pioneering virtual and hybrid trade missions, Canada is already at the forefront of this offshoot of traditional diplomacy. Global Affairs Canada could explore the possibility of a range of options, including virtual offices abroad; temporary pop-up posts; appointing "ambassadors-at-large" on specific themes; better leveraging the 4-million-strong Canadian diaspora abroad; increasing the number of honorary consuls²² and enhancing social media presence in areas where key regional influencers are active. The department should continue to maximize the use of "soft power" and public diplomacy abroad, including through support for science diplomacy, sport diplomacy, academic diplomacy and cultural diplomacy.
- Strengthen its communication, advocacy, engagement and consultations capacity, to more effectively reach both Canadians and foreign stakeholders and audiences. Advancing this goal calls for a deliberate, integrated and coherent departmental communications strategy to guide Canada's public engagement at home and abroad. The mandate of the Public Affairs branch should be broadened to include a leadership role in departmental strategic communications and to enable it to play a coordinating role across the department. Better alignment of messaging,

²² The Honorary Consul Program allows the Government of Canada to provide representation and services to Canadians in locations where no Canadian diplomatic mission or consular office exists. Though they are official representatives of the Government of Canada, they are not government employees. They are private individuals who provide consular and other services on behalf of the government, generally on a part-time basis.



greater clarity of objectives and better streamlining of resources will help to build trust, strengthen legitimacy and sustain widespread public support for Canada's international engagement, particularly in an age of waning trust in governments and institutions. A strengthened digital presence in emerging and relevant social media platforms to "meet people where they are" could help the department better connect with new and traditional audiences.

4.3. Ensure Global Affairs Canada's workforce is highly skilled, bilingual, diverse, healthy and capable of delivering world-class results for Canadians

a) Why?

Global Affairs Canada employees, Canada-based staff (CBS) and locally engaged staff (LES) alike, are at the heart of everything the department does. They serve around the clock and around the world, often in hardship postings, far from family and loved ones. The 2022 Public Service Employee Survey shows that 85% of Global Affairs Canada employees are proud of their work.²³ But, put plainly, one of the clearest messages to come out of the consultations and surveys that went into preparing this report is that there is an urgent need to modernize and strengthen many of Global Affairs Canada's human resources practices and systems, to ensure employees also expect more from their workforce can contribute to their utmost potential. Employees also expect more from the labour market, rebalancing demographics and rapid advancements in technology are just a few of the factors affecting Global Affairs Canada and its ability to attract and retain top talent.

The department's workforce is complex. There are approximately 8,300 Canada-based staff and 5,600 locally engaged staff. Within the CBS group, approximately 2,000 are foreign service employees (rotational).²⁴ The balance between foreign service and other occupational groups has undergone a significant shift in the last 20 years: 2 decades ago, a majority of staff were foreign service employees, while today the vast majority (74%) are from other groups. They are policy analysts, experts in trade, development, and consular affairs; financial and human resource officers; legal advisers; and IT professionals and analysts, to name a few. This shift toward other occupational groups can be traced to a variety of factors, including the amalgamation with the Canadian International Development Agency (CIDA) in 2013,²⁵ and the virtual halting of entry level and other recruitment into foreign service positions for over a decade because of financial constraints. Failure to recruit regularly meant that while foreign service employees still went abroad, work that had previously been done by foreign service employees at headquarters began to be done by other professional groups, many of whom first entered the department as casual or term employees. Finally, the expansion

 ²³ Based on responses of Canada-based staff only; does not include locally engaged staff responses.
 ²⁴ Rotationality is a condition of employment, meaning staff commit to being posted abroad regularly, including to hardship missions and elsewhere according to the needs of the department.

²⁵ CIDA did not have a rotational workforce. CIDA staff served overseas on a single assignment, on a voluntary basis.



of functions at headquarters to manage information technology systems, ensure security of staff abroad, manage the global network of missions (including the growing presence of other government departments and provinces/territories) and growing consular demands further contributed to the growth of positions in Canada outside of the foreign service.

These structural factors have led to frustration within parts of the workforce. While it is not true that Global Affairs Canada does not value expertise-for instance, the department has nurtured and developed some of the best trade policy and genderbased analysis expertise in the world-some employees working in a number of areas of the department, including younger employees, have felt disadvantaged compared to foreign service employees. Employees in certain categories have raised concerns with having less access to specialized training, fewer career advancement possibilities and lower priority for postings abroad. While the average attrition rate for the past 5 fiscal years for rotational employees is at 3.4%, the rate for other professional groups in the department is 9.9% - almost 3 times more. Some employees, including foreign service officers with in-depth expertise in specific geographies and issue areas, have increasingly felt disadvantaged over time, including in promotional processes, where emphasis has been placed on management competencies, rather than geographic, linguistic or issue-area expertise. Many foreign ministries are wrestling with the "generalist versus specialist" balance and there are legitimate concerns that over time Global Affairs Canada has tilted too far toward generalists.

The realities of the locally engaged workforce add even more complexity: this cadre represents 81% of Global Affairs Canada staff at missions, works in over 110 different labour jurisdictions, and performs a range of duties from assistants to drivers to senior officers on various programs. All Canadians serving abroad know that LES are the backbone of Canada's global mission network, serving loyally and courageously, often in very difficult locales. Over the years, the increased sophistication of the LES competency profile, coupled with labour market conditions, suggests there is a need to look deeply at the optimum role of LES at individual missions, now and into the future, as well as to whether Global Affairs Canada is doing everything necessary to retain and develop this key component of the workforce. The department also needs to ensure proper standard of care for LES in times of crisis, including through consultations with the Minister of Foreign Affairs, heads of mission and relevant partner departments.

Finally, Global Affairs Canada must be a place where all employees feel safe and respected, and where everyone understands that there is zero tolerance for misconduct or wrongdoing of any kind. The recent creation of the Office of the Well-being Ombud, which provides a one-stop-shop for all staff to obtain information and support to resolve workplace issues, is an important new investment in the well-being of all employees. The department is also taking additional measures to support the ecosystem and processes through which allegations of wrongdoing and misconduct are received, investigated and addressed. In summer 2023, while taking appropriate steps to protect privacy, the department will begin reporting regularly and transparently to staff on allegations of wrongdoing and measures taken as a result. Having a positive, peoplecentred organizational culture, founded upon trust, respect, pride in the work being

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done, and confidence in leadership, must be central to the Global Affairs Canada of today and the future.

b) How?

Recruitment

Global Affairs must improve recruitment and staffing to ensure the department has the right expertise to promote and protect Canadian interests and to be more representative of Canadian society. The department should reform its approach to post-secondary recruitment and undertake outreach across Canada to target the skills required to deliver its various mandates, with a focus on under-represented populations and wider geographic representation. Recruitment efforts should show better results in terms of representativeness, and specifically greater numbers of Black employees, Indigenous peoples, and persons with disabilities. These recruitment drives should be held on an annual basis, to ensure a steady flow of new talent entering the department regularly, or downstream effects will be felt at all levels of the human resources planning cycle.²⁶ The department boasts an extremely qualified workforce, both in Ottawa and abroad, yet the increasingly complex global context calls for augmented expertise across all streams and business lines to anticipate, analyze and respond to emerging challenges, opportunities and crises. Specialized competencies can often be augmented by the language skills possessed by Canada's multicultural population, of which Global Affairs Canada should make better use. Likewise, the work undertaken at Global Affairs is alluring to many professionals and subject matter experts, but too often there are no entry points to bring them onboard mid-career; two-way exchanges and more opportunities for lateral entry can help. Existing workforce management processes also need to better identify, document and harness the wide-ranging expertise that already exists among employees.

Training

Bilingualism at the core. Providing services in both official languages is a legal requirement, but projecting a bilingual Canada abroad and maintaining a work environment that is seamlessly bilingual are also core aspects of Canada's identity, diversity and strength. The department should do everything it can to take greater advantage of bilingualism as an undeniable asset of Canada's international engagement. Therefore, senior executives across the department should be held accountable for ensuring an equal use of French and a functionally bilingual environment as well as promoting francophone diplomacy, at headquarters and in the mission network abroad. As a key measure to promote bilingualism within Global Affairs Canada, consistent with the proposed Bill C-13, Act for the Substantive Equality of Canada's Official Languages, the department should centralize and expand access to official-language training for all employees, independent of their

²⁶ This commitment has been made by Deputy Ministers to all staff in a recent communication. Future of Diplomacy: Transforming Global Affairs Canada



professional group, and must increase the linguistic profile of supervisory positions in line with the Treasury Board Secretariat's directive scheduled to come into force in April 2024.

- Increase foreign language capacity. The department should immediately work to enhance its compliance rate for foreign language-designated posts; incentivize the learning and retention of foreign languages; and put more emphasis on language skills that meet organizational needs, at headquarters and missions, in the consideration of candidates during the hiring process, at all levels and for all employees. Foreign language training for new foreign service recruits as part of their on-boarding, when necessary, combined with career-length continuous learning and multiple assignments to missions where their foreign-language skills are required, could all contribute to deepening and sustaining critical foreign-language capacities in the long-term.
- Enhance the effectiveness of dedicated training resources. The Canadian Foreign Service Institute (which could be renamed the Global Affairs Learning Institute) should be further leveraged. Further efforts should be made to ensure all dedicated training resources are aligned with the department's current and future priorities, and this should be regularly reviewed. Mentoring, coaching, job shadowing and the establishment of communities of practice should be an integral part of Global Affairs Canada's training culture. Schemes to promote sharing of online and other training resources with Canada's most like-minded partners should be explored.

Career development

- While the department already boasts a highly qualified workforce, it needs to enhance career planning, promotion, assignment and talent management mechanisms to make sure it retains the current and future skills it needs. It should strengthen and expand the role of the human resources branch to take a more strategic and active approach in addressing the department's needs, promoting talent through robust career planning and targeted assignments (including in hardship posts), and better defining and enforcing rotationality, all with a Genderbased Analysis Plus lens. All new foreign service recruits will be expected to complete at least 1 of their first 2 assignments abroad at a hardship mission and will be encouraged to undertake foreign language training. The revamped human resources branch would guide employees by identifying targeted assignment opportunities abroad and career path opportunities at headquarters, including for employees not in the foreign service. It would also improve performance assessments and link them with assignment and promotional exercises. All efforts should be made to give employees early confirmations of postings, such that they and their families can rotate during the summer period, with due attention to the need for school-aged children to arrive at posting in a timely fashion.
- Explore options to manage employees from all occupational groups in an integrated fashion, with a view to offering meaningful skills development and



career advancement paths. These could include more flexible considerations of opportunities abroad for employees who have relevant skill sets and interests in an international career. A classification review of positions at various levels should be put in place to ensure that the department has the right balance of foreign service positions versus other occupational groups. It should also include access to talent management tools and processes for better career progression at all levels and within all groups. Regular internal lateral staffing exercises between the foreign service and other professional groups could also offer opportunities for employees to adapt their careers to evolving circumstances.

Conditions of service abroad

- The Foreign Service Directives (FSDs) are a package of allowances and benefits that support the deployment of employees and their families abroad. They are in profound need of a revamp. Global Affairs Canada intends to advocate strongly for FSD modernization in the upcoming renegotiation between the employer and bargaining agents in the fall of 2023. The department has already begun reviewing the Directives to inform this process, examining the benefits provided through an intersectional and anti-racism lens, that includes reviewing gender and GBA+ dimensions of overseas postings with family considerations, especially for women and 2SLGBTQI+ employees.
- The FSDs were not designed to take account of a global pandemic or the kinds of crises being experienced by Canadian personnel in Ukraine and elsewhere. To ensure appropriate support during crises and other extraordinary periods, the department is actively exploring mechanisms that can provide timely and appropriate response in *in extremis* situations, to support employees and their families within the FSD framework, as well as through additional measures not considered under the FSDs.

Locally engaged staff

Ensure Global Affairs Canada can attract and retain top locally engaged talent. The smooth functioning and continuity of Canada's programs and missions abroad depends to a significant degree on the high quality and commitment of its locally engaged staff. LES possess expertise in terms of language skills and cultural understanding, plus regional, thematic and technical knowledge, as well as corporate memory that is essential to deliver successfully on mission mandates. Global Affairs Canada needs to do everything necessary to retain and develop this key component of its workforce. The department should launch a review of the employment package of locally engaged staff, to ensure optimum working conditions, competitive compensation, fair treatment, and the right level of protection and care, especially in times of crisis. The recent events in Afghanistan, Ukraine and Sudan will help inform the range of support options for LES in times of crisis.

Heads of mission

- Heads of mission (HOM) develop deep expert knowledge of their countries of accreditation, establish wide and impactful networks, and provide advice and guidance on pressing matters of bilateral and international concern. They are responsible for Canada's whole-of-government engagement in their countries of accreditation and for the administrative supervision of all federal programs present at mission. To maximize the effectiveness of heads of mission, the department should:
 - Work to confirm HOM postings earlier. This would allow for better continuity of operations at missions abroad, but also ensure more predictability and allow for accompanying families to plan ahead (and therefore minimize disruptions for school-aged children and maximize spousal employment opportunities).
 - Strengthen the role of the HOM as chief executive officer at mission. This would reinforce the HOM's ability to coordinate and maximize output of all programs and create greater integration of priorities. Mandate letters from the deputy ministers at the beginning of assignments could add to this clarity of priorities and accountability. HOMs should also have more discretion over the reallocation of resources to match evolving priorities. During major crises affecting mission operations, heads of mission must continue to play a strong leadership role, including in providing advice to the Deputy Minister and the Minister of Foreign Affairs, to inform critical decisions regarding personnel evacuation or mission closure.
 - Ensure HOM voices are heard. As Canada's representatives abroad with unique knowledge and insights into the countries and international organizations to which they are accredited, HOMs should continue to be invited to brief ministers and the Prime Minister when necessary. They should also have the flexibility to meet regularly with other HOMs in their region. The practice of Global HOM meetings every 2 years should be maintained.
 - Establish a regular consultative mechanism with former HOMs. Retired and other former HOMs have unique wisdom and expertise built up over decades, which should remain a resource for the department.
- Study the possibility of Global Affairs Canada having "separate employer" status.²⁷ This was a signature recommendation of the external advisory council, and it deserves serious study. Service abroad within Canada's global network of missions arguably brings challenges that are unique and moving to "separate employer" status may help Global Affairs Canada respond more effectively. The U.S. Department of State, for example, enjoys "separate employer" status. Yet, unlike the

²⁷ Treasury Board of Canada serves as employer for the core public administration, of which Global Affairs Canada forms a part. "Separate employer" is a term that generally refers to agencies that are their own employer under Schedule V of the *Financial Administration Act*. They generally have their own appointment (staffing) authority conferred by their respective enabling legislation and develop their own human resources regimes. They do not share employment classification systems with the rest of the core public administration, they conduct their own negotiations with unionized employees, and they determine the compensation levels for non-unionized employees, within a mandate approved by the President of the Treasury Board, and subject to final approval by the Treasury Board.



Department of State, which focuses on classical diplomatic functions, Global Affairs Canada encompasses the trade policy function and the Trade Commissioner Service as well as all policy and program responsibilities of the former Canadian International Development Agency.²⁸ The result is a highly heterogeneous workforce, with several different occupational groups serving under different collective agreements and conditions of employment. While it can be argued that life in the rotational foreign service is unique, it must be noted that only 26% of current Global Affairs Canada-based employees occupy foreign service positions. Even if that figure were to rise, it is likely that the foreign service component will remain a minority within the department's Canada-based workforce.

 If "separate employer" status is not advisable or cannot be achieved, work within existing frameworks to ensure Global Affairs Canada can optimally manage its workforce. Flexibilities within current administrative human resources, financial and other frameworks do exist and if separate employer status is not appropriate for Global Affairs Canada, it should make maximum use of these flexibilities.

4.4. Ensure Global Affairs Canada has the tools, processes and culture to thrive into the future

a) Why?

Whether at home or abroad, the Global Affairs Canada workforce must be empowered to provide the highest levels of service and advice—anytime, anywhere—in a way that is informed, capable and secure. Modernized processes and tools are an important part of an efficient, effective and people-centred organizational culture. Enabler functions, like the IT backbone of the department, and business processes should be aligned with the ambitious vision and objectives of the organization, including when the objectives evolve to accommodate new developments in the international context.

The department's information management and information technology (IM/IT) and digital systems are rapidly aging. This is felt every day by Global Affairs Canada employees, while the real threat of cyber attacks by states and their sponsored actors continues to rise. Although investments have been made in recent years to better serve Canadians, such as the Consular Case Management System and the Export and Import Controls System, IM/IT functionalities continue to be a challenge throughout the organization, and particularly at missions abroad. IM/IT infrastructure and service delivery need to be continuously maintained, upgraded and improved to keep up with rapidly evolving technology and threats.

In addition to the need for more modernized IT and tools, corporate culture also needs to change. Simpler is better. The department must do more to address rigid and

²⁸ In the United States the functions performed by Global Affairs Canada are spread over the State Department, the Office of the United States Trade Representative, some aspects of the Department of Commerce, and the United States Agency for International Development.



burdensome policies and business processes that stymie efficiency and innovation. While it is easy to point fingers elsewhere, the truth is that many of the constraints that hobble Global Affairs Canada are self-imposed. The department needs to rethink how it manages risk, including the unintended consequences of a corporate culture that is too risk averse. Layers of review, both vertically and horizontally, should be re-examined, including their impact on effective decision-making. Staff need agency to do the right thing at whatever their level of responsibility. This means senior management should show greater trust in the judgment of employees; it also means that employees should accept greater accountability for acting to advance the public's interests.

b) How?

- Invest in Global Affairs Canada's IM/IT and digital fundamentals, including modern, cloud-based architectures and networks. This would unlock the transformational capacities of new technologies, all while ensuring the highest levels of cyber security. Transforming the IM/IT operating model would also accelerate service modernization and digital enablement across Global Affairs Canada, and would drive more efficient operations, information sharing and access to quality data, helping the department better deliver programs. All of this is needed as the challenges and opportunities afforded by artificial intelligence and machine learning are coming to the fore, with new applications being realized on a seemingly daily basis—which have significant implications for maintaining the integrity and security of core IM/IT systems.
- Modernize and transform the department's Grants and Contributions platform, which delivers nearly \$4.3 billion annually to support Government of Canada objectives. Such a modernization needs to enable effective measuring of and reporting on results so Canadians have confidence that their taxes are delivering effective programming that makes the world safer, more just and more equitable. It would also provide external stakeholders with better line of sight on Global Affairs Canada expenditures, and therefore greater predictability of funding processes.
- Enhance international digital support and IM/IT service delivery. This is critical for Global Affairs Canada employees' ability to communicate with one another and the public, access the information, data and archives they need, and do their work effectively, efficiently and securely from anywhere at any time. The department should modernize its digital services support model and strengthen technical support in missions and headquarters with the addition of skilled digital and technical resources, reinforcing access to classified networks at mission. This should be combined with enhanced training for staff on cyber threats, especially for those at missions.
- Stand up a centre of expertise on data. This would drive data and evidence-based insights across all business lines, establish data governance standards and enhance coherence across the department. The recruitment, training and ongoing development of expertise related to data, novel technologies and advanced systems



should serve to reinvigorate data usage and literacy across the organization. Employees throughout the department should have the capacity to understand, visualize and communicate data for anticipatory policy-making, intelligence/information gathering, public diplomacy, trade and other negotiations, consular services, humanitarian response, tracking of development results and other core areas.

- Enhance knowledge management. Streamlined knowledge-sharing infrastructure and practices are key to improving employees' abilities to share and retrieve knowledge across the department, including on secure networks. This is not an IT proposition so much as a cultural one: while the shift to using Microsoft's SharePoint platform is making progress, Global Affairs Canada still largely functions via email rather than collaborative or knowledge-sharing platforms. Global Affairs Canada should become an organization that more systematically learns from its institutional experiences and the experience of its employees and makes knowledge easily accessible to others in the department (and elsewhere in the government, as classification protocols permit). The recommendations of the external advisory council on knowledge management and initiate a knowledge management system. Initially focusing on staff ("Know Who"), other elements merit consideration, including focusing on key topics like trade negotiations, China and so on ("Know What") and Global Affairs Canada's key business processes ("Know How").
- Develop a culture and practice of resource reallocation. Global Affairs Canada labours under the weight of its business planning processes at the same time as it struggles to reallocate and redeploy resources to Canada's emerging priorities. In 2023, the Deputy Minister of International Trade is leading a financial sustainability review to garner a better idea of how Global Affairs Canada deploys its resources. Depending on the results of this review, the department's budget planning process should be overhauled. Each branch has already been asked to examine how to reduce its discretionary activities by 5%, with a view to freeing up resources that could be redirected to higher departmental priorities. Over the longer term, Global Affairs Canada should aim to shift up to 10% of the department's staff and discretionary spending every 3 years as Canada's priorities evolve with the global environment. In due course it will also need to look at its corporate structures, including whether the current ratio of executives to non-executives is optimal.
- Conduct an immediate red-tape review and explore the potential of new technologies to help staff "work smarter." In the shorter term, Global Affairs Canada will conduct an in-depth review of administrative and reporting requirements across the department, including layers of review, with particular attention to undue burdens placed on missions abroad. The goal is to have business processes that create more agency for employees at all levels, by embracing smart risk-taking. There needs to be trust, acceptance of the possibility of failure, responsibility for this failure when it occurs, and measured responses that emphasize learning when appropriate. Finally, emerging technologies such as artificial intelligence and



machine learning should be evaluated through a Global Affairs Canada lens for their potential to improve service delivery, cyber security and operational efficiency.

5. Summary of recommendations

ACTION AREA 1: Build new expertise on international issues key to Canada's future, and increase capacity to anticipate and manage prolonged crises

Increase **policy capacity on climate change, energy and critical mineral nexus** as key to positioning Canada's future internationally

Expand capacities and mandates within existing units responsible for cyber and digital issues, with focus on science and technology, AI and big data

Create an Open Policy Hub for high-quality, evidence-based policy analysis, warning and foresight

Increase capacity to anticipate and manage a whole-of-government response to geopolitical and security crises

ACTION AREA 2: Enhance Canada's capacity to exert influence by increasing its presence abroad, including at multilateral tables

Strengthen presence in the international bodies that matter most to Canada, starting with the United Nations

Strengthen presence in key G20 and other strategically important countries

Develop and implement a mechanism to regularly review and rebalance presence abroad

Pursue innovative means of promoting Canadian interests abroad (virtual offices, ambassadors at large, additional honorary consuls)

Strengthen communication and advocacy more effectively to reach both Canadians and foreign stakeholders and audiences

Maximize the use of "soft power" and public diplomacy abroad, including through support for science, sport, academic and cultural diplomacy

ACTION AREA 3: Ensure Global Affairs Canada's workforce is highly skilled, bilingual, diverse, healthy and capable of delivering world-class results for Canadians

Improve recruitment, training and career development, including through strengthened role of the human resources branch; enhanced career planning and talent management; dedicated and aligned training resources; reform of post-secondary recruitment and interchange/lateral entry processes

Increase the number of foreign service employees in the pools to create more flexibility for hiring

Strengthen official language training and promote the use of French

Promote and incentivize foreign language competency for countries of strategic importance to Canada



Ensure the **Foreign Service Directives** more closely align with modern Canadian families and the realities of service abroad now and into the future, including in times of crisis

Further support locally engaged employees, including to attract and retain top talent and support them in times of crisis

Strengthen and fully leverage the role of heads of mission

Study the possibility of Global Affairs Canada becoming a separate employer

ACTION AREA 4: Ensure Global Affairs Canada has the tools, processes and culture to thrive into the future

Modernize Global Affairs Canada's IM/IT and digital services, infrastructure and tools, including modern, cloud-based architectures and networks

Modernize the tools and process that underpin the \$4.3 billion in annual **grants and contributions** programmed by Global Affairs Canada

Establish a Data Centre of Expertise to drive data and evidence-based insights across all business lines

Enhance knowledge management throughout the organization so that Global Affairs Canada can learn more from its own people and experiences

Develop a culture and practice of resource reallocation to be able to respond to new challenges and opportunities on an ongoing basis

Simplify bureaucratic processes by conducting an immediate red tape review, incentivizing innovation and smart risk taking, and exploring the potential of new technologies to help staff "work smarter"

6. Implementation

This discussion paper presents key recommendations for how to ensure Global Affairs Canada can serve Canadians more effectively now and into the future. However, understanding what needs to happen is only one part of the challenge. Most plans for institutional transformation fail not because recommendations are wrong; they fail because of inadequate or incomplete implementation.

The Deputy Minister of Foreign Affairs should be given overall responsibility for ensuring the success of the Future of Diplomacy: Transforming Global Affairs Canada implementation plan, and making progress on implementation should be a key part of his or her annual performance management agreement.

The Senate's Standing Committee on Foreign Affairs and International Trade's study on "the Canadian foreign service and elements of the foreign policy machinery within Global Affairs Canada" will issue a report in December 2023. The department will study the report and its recommendations and adjust its plans as necessary.

To launch the implementation phase of this initiative, the Deputy Minister of Foreign Affairs has already appointed a senior executive, Chief Transformation Officer, Antoine



Chevrier, to drive the change process over an initial period of 3 years (2023-2026). The Chief Transformation Officer will report directly to the Deputy Minister of Foreign Affairs, with matrixed reporting responsibilities to the Deputy Ministers of International Trade and International Development.

- The Chief Transformation Officer should be empowered to:
 - stand up a multi-disciplinary transformation team in early June 2023 with relevant expertise and deep knowledge of the department across streams to drive the transformation process (e.g. project management, human resources, digital, communications, knowledge management, etc.); and create a full implementation plan, including milestones and performance metrics, all by September 1, 2023.
 - establish a reflection group comprised of a diverse set of employees at all levels from throughout the department to produce, before the end of 2023, a concise statement of corporate values and culture, with the intention that this statement should serve as a kind of enduring "north star" for the entire Global Affairs Canada workforce.
 - ensure that implementation is closely monitored, that course corrections are undertaken as necessary, and that progress is communicated regularly to partners and stakeholders including staff, other government departments, academia and the Canadian public.
 - report progress to the Minister of Foreign Affairs every 6 months, with particular attention to issues of staff health and well-being, and the degree to which Global Affairs Canada is effectively playing its leading role on whole-of-government international engagement effectively.

Successfully implementing the recommendations in this discussion paper will require new resources and a reallocation of existing financial resources. As noted above, the department has already begun a significant reallocation exercise and is building ways to be able to do this on an ongoing basis as circumstances change. Overall, incentives must be found at all levels throughout the department to reward cost-consciousness around the broader concept of strategic alignment.