

3.2 THE POLICY CHALLENGES FOR DFAIT

Two forces have, and will continue to have, major impacts on countries the world over — **globalisation and the emergence of multiple centres of power**. As a result Canada faces challenges in five areas:

1. maintaining international competitiveness in a global, knowledge-based economy;
2. managing the implications of increasing economic integration with the US;
3. protecting and advancing Canada's security interests in a multi-power world;
4. managing our vulnerability to global change with attendant threats to human security; and
5. adjusting to the erosion of traditional government power and authority resulting from the forces of globalisation.

DFAIT will be closely involved in preparing Canada to face them effectively by:

- planning and prioritising its tasks effectively (our current planning already reflects the impact of these issues);
- minimising the impact of diminishing resources, by increased efficiency and use of new communications technology, thus maintaining the global reach of Canadian diplomacy; and
- improving horizontal policy formulation and implementation across the Government as a whole.

Globalisation and the emergence of multiple centres of power will impact both the substance of the policy issues the department must deal with and the way in which they are managed.

3.3 KEY MANAGEMENT CHALLENGES

3.3.1 PLANNING AND PRIORITY-SETTING

The most pressing management challenge in the medium term will be the range of issues arising from the need to plan and deliver Government programs overseas. This involves priority setting, organisation of program and service delivery, changes to resource planning and management, and identification either of trade-offs or alternative means of achieving Canada's goals within the limits of affordability. Ultimately, this means systems, processes and machinery for policy, program and service management across the portfolio of internationally oriented activities of the Government.

The goal is to develop an improved management culture within the department — one that sets management priorities and sticks to them. The first steps have been taken with the establishment of an Executive Committee responsible for decision-making and prioritising at the corporate level.

The department will develop its planning machinery to provide both a strategic perspective — the annual report on Plans and Priorities (formerly Part III of the Main