

THE FACTS IN A NUTSHELL

The target reduction set for DFAIT is at the same level as that set for the Privy Council Office, Treasury Board and the Department of Finance. We successfully argued that those parts of our budget over which we had little or no discretion should be exempted in calculating our reductions. This included annual assessed contributions to international organizations (e.g. UN, NATO), contributions to the UN to pay for international peacekeeping operations, payments in lieu of taxes for foreign diplomatic representatives in Canada, and funds used to support directly the Prime Minister, the Governor General and members of Cabinet in international activities. This meant assessing reductions on the basis of \$920 million instead of \$1.4 billion.

- The budget will be reduced 15 per cent over the next three fiscal years (graduated basis of 5 per cent a year).
- About 250 positions will be eliminated at headquarters over the next three years.
- Operational budgets in Ottawa will be reduced for travel, professional services, hospitality and temporary help.
- The size of Canadian offices abroad will be reduced: larger missions will be the principal targets and a number of positions abroad will be eliminated or redeployed elsewhere.
- Other savings will be realized abroad: hospitality expenditures will be reduced; operational budgets in many missions will be reduced; where possible properties abroad will be rationalized; economies will be achieved on travel, removal and allowances; and there will be fewer Canadian staff abroad.
- Funding for certain departmental programs will be reduced or eliminated. For example, export market development funding will be reduced with the remaining funds targeted to small and medium-sized businesses. Other grants and contributions will also be reduced or eliminated.
- Various options are being considered to recover the costs of consular services. Fees for export and import permits will be increased to make the administration of that program self-financing. And, international fairs and missions will become cost-recoverable.
- Radio Canada International will be transferred back to the CBC.