implement unless more permanent staff resources are allocated to JSTF administration.

Since 1992 the administration of the JSTF has been assisted by delegation of industry and academic sector delivery to Industry Canada (IC) and The Natural Sciences and Engineering Council (NSERC) respectively. This has alleviated some of the stress on DFAIT and has added to the expertise brought to bear in the administration of the JSTF. Lack of industry sector take-up has been a problem, partly due to the slow start of the program, and also due to the recession, which has inhibited companies from engaging in high risk activities. IC reports that industry sector take-up is now increasing, partly due to enhanced publicity for the JSTF. Overall interdepartmental coordination has also improved through the establishment of the Pacific 2000 Oversight Committee in 1992.

The National Research Council (NRC) as major science-based agency, although represented at the technical JSTF Working Group level, is left out of strategic level decision-making for the JSTF on the Pacific 2000 Oversight Committee. Although the NRC is not directly responsible for delivery, it has the experience, knowledge, contacts, and networks to provide valuable input into strategic planning. This is an unresolved issue.

<u>It is concluded</u> that the rationale for increasing S and T cooperation with Japan is sound, and initial results are positive and promising. For instance JSTF clients are positive about the outcomes of their projects, mutual trust has been established, there is evidence of spontaneous follow-up activity, and new contacts and networks have been created.

Matching contributions targets, an indicator of effectiveness, have been exceeded according to the aggregate statistics available. Future evaluations should carry out project by project analyses of matching contributions to ascertain their strengths and weaknesses as indicators of effectiveness, and the impact which varying levels of contributions are likely to have on different categories of clients, and on the costs of managing the program.

There is insufficient evidence at this early stage to conclude whether the JSTF as presently structured represents the optimum allocation of resources to attain the objectives. This is partly because science and technology activities take a long time to come to fruition, and the largest pay-offs tend to be those that are unpredictable. Also, in retrospect, it is often difficult or impossible to trace causes and effects of technological change. The problem of measurement of effectiveness of the JSTF is compounded by the fact that the program contributes to the important but "soft" area of bilateral relations between Japan and Canada. For these reasons, for a large, complex, and innovative program of this nature, it is more important than ever to have an explicit conceptual framework and strategy, a set of quantitative and <u>qualitative</u> performance indicators, and provision for monitoring, analysis, and feed-back as suggested in the report. For this to happen JSTF delivery must be adequately resourced with <u>permanent</u> staff, with the necessary managerial and analytical

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