

EAMIP PROJECT NO. TF03

TITLE PEMD: Evaluation of PEMD Program Design

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PRESENT SITUATION

Recently, the need to improve the financial commitment control system in PEMD has led to questions concerning overall program design. A contract has been let to James F. Hickling Partners to evaluate the program's structure and propose alternatives.

OBJECTIVE

The purpose of this study is to assess whether PEMD could be simplified, made more competitive with comparable foreign programs, and managed in such a way as to provide targeted support to the Government economic and trade priorities.

GOAL

The consultants' conclusions and recommendations will be complete by January 30, 1984. Subsequently, proposals concerning program re-design may be made to Executive Committee. A decision to introduce basic changes would require a Cabinet Memorandum. The goal would be to effect changes by April 1, 1984.

DESCRIPTION

PEMD was evaluated in 1980, the focus of that study being the measurement of incremental exports attributable to PEMD. Program re-structuring was not considered. However, since then the program has been moved to External Affairs (although delivery responsibility is shared with DRIE), assistance to fish marketing, and PEMD F have been introduced, and further assistance (to services) is planned. Questions concerning program structure and control have become prominent.

The current study involves the following tasks:

- Review the key arguments and data which provide the rationale for PEMD.
- Compare PEMD to similar provincial and foreign programs.
- Review PEMD to assess the feasibility, impact, and administrative cost implications of:
 - the compression of sections;
 - providing support to the service sector;
 - targetting assistance sectorally and geographically;
 - removing or modifying the repayment clause;
 - develop conditional forecasts of the demand for PEMD assistance under each program alternative considered.