

E. Funds to Support Foreign Technology Acquisition Activities

The recently released Report of the Standing Senate Committee on National Finance entitled "Federal Government Support for Technology Advancement: An Overview" stated that "grant and contribution programs to support research, development and innovations should be responsive to the needs of industry and the market place", and also that "Diffusion of technology is the most important element of any technology strategy. The government should increase its efforts, in co-operation with universities and the private sector to strengthen mechanisms for collecting information on foreign technological developments and for disseminating it within Canada." One of the factors that inhibits the activities of small Canadian companies is the shortage of uncommitted risk capital. A useful government mechanism to promote the access of these companies to up-to-date foreign technologies would therefore appear to a readily accessible source of funds to encourage them to undertake technology scouting trips abroad.

DRIE is considering the extension of its Program for Export Market Development (PEMD) to support activities to explore technological applications, major product process innovations and organizational and managerial innovations, which could enhance their productivity and competitiveness. It would appear, however, that an extension of the Catalytic Seed Fund (CSF) would be more appropriate. The CSF was established to stimulate international collaboration in science and technology, and supports a range of activities for this purpose, including "missions by individual experts to collect information on emerging technological opportunities of interest to Canada". Extension of the coverage to include missions to investigate and/or acquire "best-practice technologies" and relaxation of the existing constraint regarding sponsorship by a federal department or agency should make the extended CSF a useful source of funds for small Canadian companies.

Small Canadian companies generally complain about "the slowness of evaluation, processing and payment procedures of government programs". The CSF has minimized the evaluation process by using as a basic criterion the degree of commitment of the organization to the proposed activity. It normally reimburses only the travel costs, with the participating organization paying for living expenses.