

Recommendation 14

The Committee considers the Post Initiated Project Proposal Fund (PIPP) to be a cost efficient program that allows for independent decision making by the Trade Commissioner on the spot without extensive bureaucratic procedures. We therefore recommend:

The Post Initiated Project Proposal Fund be expanded to posts in key markets in Latin America and Asia Pacific.

Its expansion will retain a strong element of entrepreneurial initiative at posts while traditional fairs and missions programs are being reduced. The estimated cost of expanding PIPP is \$1.5 million.

EXPORT FINANCING

The Committee recognizes that significant work currently is being done in the area of export financing. Given the importance of financing to the exporting effort, we considered it worthwhile to review the ongoing work and to build on the recommendations emerging from this work, recognizing that much of the work, particularly on the Canada Account, has not yet concluded and may have an impact on the following.

Recommendation 15

Taking into account existing and future concessional financing commitments for the People's Republic of China and EDC's expectations that its requirement for additional equity from the government over the five-year planning horizon will be nil to minimal, there is some flexibility in the so-called Canada Account concessional financing budget. (Note: Concessional financing is low interest rate loans with very long repayment periods.) In light of the increasing demand for non-concessional (i.e. commercial term) financing from the Canada Account and the limited resources now available for this purpose, the Committee proposes that a portion of the projected surplus in the concessional financing budget be traded off for non-concessional funds.

Trade off \$60 million annually of Canada Account concessional funds for an annual increase in the Canada Account non-concessional facility.

Significant leveraging of non-concessional funds should be possible given the "savings"