

Statistics on the Industry Initiated component of PEMD show a fairly high success rate, but a poor recovery rate. Cost recovery must become an integral part of any program. Furthermore, we would like to see all cost recovered funds returned to the program from which they were generated, not the government's central revenue fund. (This applies to all recommendations where we have advocated greater cost recovery.) Support from the business community for more cost recovery will be enhanced if cost recovered funds are returned to the program.

Recommendation 11

Ideally, international business development programs across government should be consolidated. However, given the difficulties inherent in such an approach, we have focussed on DFAIT programs.

Decisions on the use of DFAIT's international business development funds should be driven through consultation with industry. Greater flexibility is also needed to be responsive to the changing needs of Canadian companies in all markets. Given this, the Steering Committee recommends:

DFAIT's international business development funding, now delivered through a myriad of programs, be consolidated to allow for the development of an integrated, strategic international business development program.

Consolidation and restructuring of the existing portfolio of programs would allow the Department to increase the efficiency and effectiveness of its programs.

Recommendation 12

The Committee notes that the government currently recovers some of the costs associated with trade missions. However, we contend that there is no reason to subsidize the cost of outgoing missions. If an exporter is ready to enter the market, he/she should be ready to assume the costs associated with a trade mission. Thus, we recommend:

Private sector participation in all government organized outgoing trade missions be self-financed.

This policy change should apply to all outgoing trade missions, including those sponsored by departments other than DFAIT. If missions were self-financed, the ensuing annual DFAIT cost savings could total \$4 million. We also believe provincial governments will want to look at this cost saving measure.