

## **THE STUDY**

The consultant portion of the study comprised two elements. The first element involved an analysis of the quantitative impacts of concessional financing transactions concluded since 1980 on exporters and their suppliers, and an analysis of the incrementality of the program. This component also included a brief history of concessional financing by Canada and an analysis of the cost of increasing since 1987 the concessional component of transactions from 25% of the transaction value to 35%. The second element involved compiling findings to be used in developing a strategy for the application of concessional financing in the future, should funds become available for that purpose.

The in-house portion of the study examined the concessional financing activities of the U.S.A., Japan, U.K., France, Germany, Italy, Belgium, Republic of Korea, and Australia. These activities were examined and compared in the context of the trade objectives, concessional financing instruments, evaluation procedures, and future intentions of the selected countries. To ensure uniformity a standardized questionnaire was prepared, and a copy of that questionnaire is attached at Annex B.