

Canadian Assistance to Russia

Canadian economic assistance has several components: grains and other food credits, commercial credits, international contributions, and support to Canadian commercial firms, as well as technical and humanitarian assistance.

Humanitarian assistance

In February 1992, Canadian military flights delivered \$3 million worth of medical supplies such as syringes and thermometers, mainly for elderly people and children in hospitals and orphanages. The supplies were purchased by the Canadian Red Cross with Canadian government funds.

Food credits

Canada and Russia signed a long-term grains agreement on Feb. 1, 1992, during President Yeltsin's first visit to Canada. The Canadian Wheat Board has extended a US\$1.5 billion line of credit and will sell at least 25 million metric tonnes of wheat and feed grains to Russia over five years, with a target of five million tonnes a year.

Canada's Export Development Corporation has established a C\$150 million line of credit for food supplies such as feed corn, vegetable oil and meat. Between November 1991 and January 1992, deliveries were made under contracts with the former U.S.S.R. A protocol activating the remaining C\$62 million was signed with Russia on April 28, 1992.

Commercial credits

An Export Development Corporation C\$100 million line of credit for goods and services was announced Feb. 1, 1992, during a visit by President Yeltsin. It was signed on April 28, 1992.

International contributions

Canada has subscribed a 3.4 per cent share of capital in the European Bank for Reconstruction and Development, up to a ceiling of \$120 million.

As well, Canada is prepared to contribute to a stabilization fund for the ruble. This is being arranged through the International Monetary Fund and is conditional on Russia implementing IMF-approved economic reform. Discussions are continuing on how to manage the US\$6 billion fund. The Canadian share could amount to about US\$300 million.

Technical assistance

Canada was one of the first western nations to provide technical assistance to Russia. By early June 1992, Canada's Task Force on Central and Eastern Europe had allocated a total of \$8.5 million to 45 projects involving Russia. Overall, the task force manages a three-year, \$25 million program of technical assistance to the countries of the former Soviet Union and the Baltic states.

The technical assistance is designed to match Russia's priorities with Canadian expertise in the private, public, academic and voluntary sectors. In Russia, priority sectors are agriculture, energy, democratic development, forestry/northern development, trade and investment.

The program's three main priorities are support for market-oriented economic reforms by helping create private enterprises and management training; assistance to Canadian firms wanting to increase trade and investment in the region, with a focus on energy and natural resources, agriculture, environment and health; and support for democratic development.