

We all recognize that, despite their own serious efforts and external support, fundamental reforms will be painful and difficult. Nor will they show tangible results overnight.

Thus, while we must act with a sense of urgency, we also need to focus on longer term goals; the transformation of Central and East European societies over the long term implies their increasing integration into the international trade and payments system over time. The major international institutions will need to reflect this process of integration.

In the short term too, we should cooperate to reinforce the multilateral mechanisms to channel assistance in support of democracy, human rights, and economic reforms in East and Central Europe.

The IMF and World Bank, including the international finance corporation, are already playing a key role. We wish to encourage these institutions to continue their efforts.

Other institutions should play similar complementary roles. Specifically, the OECD has a wealth of expertise to contribute. It provides a forum which should play a leading role in providing macro and micro-economic analysis and advice to those governments committed to reform. The UN Economic Commission for Europe provides a unique East-West economic forum. The CSCE's role is clearly changing and offers great possibilities as we enter a new phase of relations. We must choose wisely how and when we use these many institutions available to us.

In this context, my government strongly welcomes the proposal to establish a European bank for reconstruction and development.

A bank could be an excellent vehicle to mobilize and coordinate financial support for productive investment, particularly for private sector development, while helping to ensure that appropriate and necessary economic reforms are undertaken. It would enable us to respond to the varying needs across the whole region through an effective, specialized multilateral mechanism. Canada believes that the widest possible participation in the proposed bank is necessary to ensure sufficient capitalisation and to help build concrete foundations for the region's economic future.

At this stage, there are many details regarding the structure and operations of the bank which must be addressed, but Canada welcomes the suggestion that the interested parties meet at the end of January to discuss the proposal.