

Canadian Assistance to Russia

Canadian assistance to the Russian Federation includes technical assistance, humanitarian assistance, a nuclear safety initiative, multilateral and regional initiatives and commercial credits.

At the Vancouver Summit, April 3-4, 1993, the Prime Minister announced a \$200 million increase in Canada's bilateral assistance package to Russia. Elements of the new package include a \$105 million increase in technical assistance, a \$10 million increase in humanitarian assistance, the shipment of 477,000 tonnes of wheat, and a new \$30 million line of credit for medical, health and educational equipment and services for children and young people.

Technical Assistance

Canada's Technical Assistance Program, announced in July 1991, focuses on training, institution building and policy advice. As announced by Prime Minister Mulroney at the Vancouver Summit, Canada's technical assistance program to Russia will be increased to \$150 million over the next five years. The program is administered by the Bureau of Assistance for Central and Eastern Europe at External Affairs and International Trade Canada. It aims to support democratic development and the transition to a market-based economy, and to increase Canadian trade and investment links.

The Canadian Technical Assistance Program emphasizes direct people-to-people links and grass-roots projects that have an impact on the lives of Russian citizens. The program has six priorities.

1. Energy

Canadian assistance in the energy sector focuses on four key themes: regulatory and legislative advice, energy

business management, opportunities for oil exploration and development, and improvement of electricity sector utility management.

A new three-year, \$15 million strategy, announced in Vancouver, will provide additional assistance to Russia in modernizing its oil and gas sector, encourage foreign investment, and lead to new skilled job creation. It will include assistance in development of a new legal and regulatory framework for the oil and gas sector, establishment of a management structure for joint resource ownership, and design of a modern fiscal regime. A multi-faceted technical co-operation package will focus on reconditioning wells, surface infrastructure, safety issues, management and technical training, and strengthening Russian institutions. Special emphasis will be placed on environmental issues in all Canadian energy projects.

2. Private sector support

A \$20 million, three-year package will provide support to the emerging Russian private sector with emphasis on management training and financial services for entrepreneurs. It will be designed to foster enhanced trade and investment opportunities for Canada and direct links between Canadian and Russian entrepreneurs.

An \$8 million private sector management-training network called Enterprise Russia will provide specially tailored economic and business training to an estimated 1,000 Russian entrepreneurs. Canada will contribute \$3 million to the Russian Project Finance Bank which provides financing to entrepreneurs.