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MEMORANDUM OF UNDERSTANDING FOR INCREASED RURAL PRODUCTIVITY IN NICARAGUA SIGNED BY MR. CLARK

MANAGUA -- The Secretary of State for External Affairs, the Right Honourable Joe Clark, today ratified a memorandum of understanding with the Nicaraguan government that will enable Canada to begin a dairy herd management project in the Central American country.

Mr. Clark pointed out that the project was designed to help Nicaragua increase its production of staple foods, especially dairy products.

This project, valued at slightly more than \$1 million, will be the responsibility of the Canadian International Development Agency (CIDA). It follows a Canadian line of credit extended to Nicaragua in 1984, by which the Chiltepe agricultural complex received agricultural equipment, some 1,313 heifers from Canada and technical assistance. To support the natural increase in the herd, Nicaragua must now maintain high standards of husbandry if the Chiltepe complex is to fulfill its potential.

Canada will provide expert services in areas related to livestock raising, animal health and farm management. Technical studies will also be carried out and a number of herd foremen will be trained.

One of the main objectives of the Canadian aid program is to meet the essential needs of Nicaragua's people. Canada's main interventions lie in the production of basic food commodities (a \$13.4 million line of credit in the agricultural sector was provided in 1984), water supply (\$7.4 million line of credit in 1984), and energy production from renewable sources (\$11.1 million in 1985 for the Momotombo II project).