

Backgrounder II

NEW CANADIAN TECHNICAL ASSISTANCE PACKAGE FOR KAZAKHSTAN

The technical assistance package announced today is part of Canada's ongoing technical assistance program for Kazakhstan. Managed by the Bureau of Assistance for Central and Eastern Europe, Department of Foreign Affairs and International Trade, the program has two primary objectives: to support the transition to a market-based economy, and to increase Canadian trade and investment links with Kazakhstan. With today's announcement, the Canadian assistance program has committed approximately \$1.6 million to close to 20 projects. Canada has also committed nearly \$1 million to Kazakhstan through multilateral organizations.

Canada's technical assistance program concentrates its activities in three priority sectors: mining; energy; and agriculture. These sectors match Canadian expertise with Kazakh economic reform priorities and emerging trade and investment opportunities.

The following new projects were announced today:

Mining Privatization

Canada will contribute \$315 000 to a \$1.2-million International Finance Corporation (IFC) project to privatize the East Kazakhstan Copper Chemical Kombinat. Under the project, the Canadian firm Felske and Associates Ltd. of Toronto, Ontario will be responsible for the geological evaluation of the Kombinat's mineral reserves; a review of mining operations and mineral treatment systems; an assessment of transport infrastructure; and a review of related social infrastructure such as schools and housing. In addition, Felske and Associates Ltd. will conduct a comprehensive accounting review and prepare cost analysis and financial projections to prepare for the privatization and sale of the Kombinat. The overall project will be managed by the IFC in co-operation with Kazakhstan's State Property Committee, which is responsible for the country's privatization program.

Natural Gas Recovery Project

This is a \$199 000 initiative to assess the technical and economic viability of upgrading the Uzen gas plant in western Kazakhstan, with the aim of extracting valuable natural gas liquids and reducing environmental pollution from gas flaring. SNC-Lavalin of Montreal, Quebec will undertake the assessment, develop a proposal and financial plan for a natural gas recovery project, train Kazakh personnel and design a corporate management