

TASK FORCE ON CENTRAL AND EASTERN EUROPE

When the countries of Central and Eastern Europe began the transition from Communism to market economies and democratic governments in 1989, Canada pledged its active support. Since that time, Canada has been at the forefront of efforts to assist the region through a combination of initiatives, including balance of payments support and currency stabilization, food and humanitarian aid, trade credits and technical assistance.

The centrepiece of Canadian efforts is the Task Force on Central and Eastern Europe. Established in March 1990 within External Affairs and International Trade Canada, the Task Force serves as the primary instrument for the Canadian government's response to political and economic changes in the region. Its mandate is to co-ordinate public and private sector initiatives, encourage broad-based political and economic links with the region and administer a \$75-million technical assistance program extending to the 1993/94 fiscal year.

The Task Force grew from an earlier program of co-operation with Poland and Hungary launched in 1989. In response to the rapid spread of reform across the region, the original program was expanded, in concert with the Group of 24 (G-24) major industrialized countries, to include the other reforming countries of Central and Eastern Europe, including the then Soviet Union.

The Move Toward Market Economies

The Task Force takes a two-track approach to technical assistance, reflecting the belief that political and economic development are interdependent. An Economic Development Fund aids in the economic restructuring and development of market-based economies in Central and Eastern Europe, supports the newly emerging private sector and encourages investment and trade links with Canada. The fund has contributed to numerous projects, from reforming financial institutions and training business managers to privatizing industries and educating dairy farm workers.

In addition, the Task Force sponsors Renaissance Eastern Europe (REE), a trade and industrial devel-

opment program designed to increase the involvement of Canadian companies in the markets of the region. To date, the Task Force has worked with close to 70 companies in a wide variety of sectors including micro-electronics, computer software, oil and gas, construction and pulp and paper.

Securing Democracy

Supporting the other aspect of the Task Force's mandate, a Political Co-operation Fund promotes democratization of political, social and economic institutions, human rights, pluralism and the rule of law. Projects have included legal internships, training for parliamentary officials and human rights courses. Other issues have been addressed through support for trade union and education initiatives, advice on electoral practices and assistance in the development of social welfare programs.

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Predicated on Partnership

Partnership is the hallmark of the Task Force on Central and Eastern Europe. It draws on the expertise available in both the private and the public sectors and welcomes proposals from non-governmental organizations, professional associations, labour groups, academic institutions, the voluntary sector and all levels of government. Because it seeks collaboration, the Task Force seldom funds 100 per cent of project costs. Instead, it augments funding by others in the belief that, if there is no financial commitment from both the executing and recipient organizations, the project is likely flawed in design or execution.

Canada's technical assistance program is client-driven. The Task Force consults regularly with host governments to identify their specific needs and priorities and then matches Canadian resources and capabilities with those priorities. Given financial limitations, Canada cannot be active in all sectors. Therefore, the Task Force focuses on concrete proposals from sectors where Canada has world-class technology and expertise, including energy, environment, agriculture and financial services. Emphasis is placed on Canada's competitive advantage in order to develop long-term markets for goods and services.