

TASK FORCE ON CENTRAL AND EASTERN EUROPE

In July 1990, the Task Force on Central and Eastern Europe was established. An extension of the previous Program of Cooperation with Poland and Hungary, it is central to Canada's efforts to support the transition to market economies and to promote democratization in the reforming nations of Central and Eastern Europe. The Task Force administers a \$35-million Technical Assistance Program, coordinates public and private-sector initiatives, and facilitates the development of broad-based political and economic links with the region.

Working in close cooperation with the G-24 (see Glossary) Canada has launched some 120 technical assistance projects focusing mainly on the priority sectors of agriculture, management training, energy, the environment, law and privatization. Assistance programs have been established in Hungary, Poland, and the Czech and Slovak Federal Republic and are designed to respond to the recipient nations' urgent needs by matching them with Canadian expertise in the public, private, voluntary and academic sectors.

Highlights of the year included support for a Canadian Labour Congress education project focusing on women in the Polish work force and a \$1.8-million contribution to the development of language training centres for teachers in Poland. As a result, 55 Canadian teachers will offer English and French language courses during the next three years. The Government of Canada contributed \$450 000 to the International Management Centre in Budapest, the first private business school in Central and Eastern Europe, now headed by a Canadian dean. Canada also provided financial support to the Association of Canadian Community Colleges to undertake curriculum development for industrial retraining centres in Hungary. Financial support was also given to the Hungarian College of Hospitality and Tourism, and a media and journalism school.

The Task Force launched its program of assistance to the Czech and Slovak Federal Republic with a project identification mission to that country in November 1990 resulting in the development of some 28 projects with a total value of \$2 million. Projects included the provision of Canada's energy management expertise to the C.S.F.R. and support to a Canadian firm advising the government on the implementation of a financial market system. In addition, the successful York University entrepreneurial and management training program,

partially funded by the Task Force, drew 129 participants from across Central and Eastern Europe and the Soviet Union.

A project identification mission to Romania was organized to launch the Canadian Program of Technical Assistance to that country. In March 1991, \$290 000 worth of skim milk powder was contributed to Bulgaria. A few small-scale projects were launched in the Soviet Union during the first part of the year, but technical assistance to the U.S.S.R. was suspended by the Secretary of State for External Affairs following the onset of Soviet military activity in the Baltics.

The Task Force has also worked in close cooperation with key multilateral bodies including the World Bank, the European Bank for Reconstruction and Development (EBRD) and the Organization for Economic Cooperation and Development (OECD) to which Canada contributed \$180 000 for the establishment of the Centre for European Economies in Transition.

TRADE

Canada is actively encouraging trade and investment throughout Central/Eastern Europe and the U.S.S.R. In addition to trade fairs, missions and information seminars, bilateral agreements are being put in place to foster a receptive business environment. These agreements ensure foreign investment protection and eliminate double taxation.

Recent political and economic changes have given rise to unprecedented opportunities for new business in the region. While recessions brought about by the wrenching change from command to market economies continue to limit direct sales opportunities, Canada is actively seeking to expand its trade and economic links through cooperative ventures between government and the business community.

During the visit of the Minister for International Trade to the U.S.S.R. in October 1990, the Canada-U.S.S.R. Business Council officially opened its Moscow office. With the support of the Department, this bilateral business organization has grown to include over 100 paying corporate members; it offers practical advice and assistance to Canadian business people in the U.S.S.R.

General Preferential Tariff Status has been extended to Poland, Hungary and Romania, facilitating their access to the Canadian market. Negotiations are under way to replace the outdated 1956 Canada-U.S.S.R. Bilateral Trade Agreement with a more comprehensive and modern commercial and economic agreement.