

investment program. As of the end of February, 1995, the IFC had approved 14 projects in Russia and it is expected that there will be more approvals before the end of fiscal year 1995. Projects approved as of February, 1995, include US\$75.6 million in equity investments and US\$185.9 million in loans. The IFC's largest project to date was in an integrated newsprint paper mill, where the IFC's exposure is approximately US\$86 million.

Over the longer term, IFC investment strategy aims to develop joint venture investments in various sectors of the Russian economy. Sectors where project proposals are being considered include manufacturing, private sector infrastructure, oil and gas and agribusiness. Further capital markets investments such as private equity funds, institution building, investments in commercial banks and special facilities for trade enhancement are being considered by the IFC.

All of the above opportunities will be undertaken with the aim to develop the private sector through the success of investment ventures or through the improvement of the business environment in Russia.

Canadian Involvement in IFC Projects in the Russian Federation (FY 1989 to 1995)

Of the 14 total projects approved by the IFC in Russia, none of them include any Canadian involvement. However, there have been many inquiries to the Russian investment division of the IFC from Canadian firms in the past year, and it is expected that there may be proposals from Canadian firms within the next few years.

MIGA Operations in the Russian Federation

MIGA has concluded legal protection and *Use of Local Currency* agreements with the Government of Russia. It has also secured an agreement aimed at facilitating approval of MIGA guarantees for Russia. As of May 31, 1995, MIGA had one contract of guarantee outstanding in Russia for a maximum aggregate liability of US\$9.9 million to a Belgian company against war and civil disturbance for a metals processing project. Applications for coverage, which total over 160 since the inception of MIGA of which approximately 100 are still active, are being reviewed for projects in the manufacturing, financial services and petroleum sectors. The current applications are primarily from U.S. and European companies and together represent more than US\$10.8 billion