

News Release

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OUELLET ANNOUNCES TECHNICAL ASSISTANCE PACKAGE FOR RUSSIA

Foreign Affairs Minister André Ouellet today announced a \$6.9-million package of Canadian technical assistance initiatives designed to support economic reform in Russia. The Minister made the announcement in Moscow at the end of his two-day working visit.

The projects target two priority sectors: support for private sector development through agricultural privatization, land reform and patent protection; and environmental protection in the oil and gas field.

"Canada remains strongly committed to supporting economic reform in Russia. These initiatives will build on our ongoing efforts to support private sector development in Russia, including the creation of a business environment attractive to private investment, by providing advice and training in areas vital to the reform effort," said Mr. Ouellet.

The package includes a \$2.7-million project to assist in the privatization of state and collective farms, a \$2.9-million initiative to support the process of land reform, and a \$900 000 project to modernize Russia's patent protection office. Also included is a \$350 000 project to assist in minimizing the environmental impact of oil and gas exploration and production in Russia, one of the country's most pressing northern environmental concerns.

Funding for these initiatives was provided for in the February 1994 federal budget and is therefore built into the existing fiscal framework.

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The attached background document describes the projects.

For further information, media representatives may contact:

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Backgrounder

NEW CANADIAN TECHNICAL ASSISTANCE PROJECTS FOR RUSSIA

The projects announced today are part of Canada's ongoing technical assistance program with Russia managed by the Department of Foreign Affairs and International Trade. The program has three primary objectives: to support the transition to a market-based economy; to promote democratic development; and to increase Canadian trade and investment links with Russia. Activities are concentrated in five priority sectors which match Canadian expertise with Russian economic and political reform priorities: private sector development, democratic development and good governance, energy, agriculture, and northern development/environment. With today's announcement, the Canadian assistance program has committed close to \$82 million to approximately 205 projects. The new projects are described below.

Privatization of Collective and State Farms

Canada will contribute \$2.7 million to the International Finance Corporation (IFC) to support the privatization of state and collective farms in the region of Ryazan, south of Moscow. This initiative follows an earlier IFC pilot project that developed a farm privatization procedure in Nizhniy Novgorod. This model, which creates new private farms by dividing existing land and property among members of state and collective farms, has been endorsed by the Russian government for use throughout Russia. Canadians working on the IFC project will assist in organizing and holding farm auctions and will train Russian officials and farmers in privatization policy and procedures at the local level. In addition, 25 leaders involved in the agricultural privatization process in Ryazan will visit Canada in January 1995 for an in-depth look at Canadian farm operations.

Land Information Management System

An 18-month \$2.9-million initiative will support the development of a land information management system in the district of Dmitrov, adjacent to Moscow. Land reform and management are critical elements of Russia's transition to a market-based economy. This project will design and establish a functional land registration system and land registry office in Dmitrov with responsibility for developing modern land information management systems, land legislation, property assessment procedures, taxation systems and digital mapping technology. A Canadian consortium led by DMR Group Inc. of Montréal, and including Roche Limited — Consulting Group of Sainte-Foy, Quebec, TecSult International Limited of Montréal and UMA Engineering Limited of Edmonton, will manage the project. The Russian partner for this

project is ROSKOMZEM, the Russian federal agency responsible for land reform.

Russian Patent Office

This \$900,000 project managed by RES Policy Research Inc. of Ottawa will strengthen the management systems and capabilities of the Russian patent office, ROSPATENT, in order to help Russia meet General Agreement on Tariffs and Trade (GATT) requirements for the mutual protection of intellectual rights. Under the project, patent and trademark management systems and records will be upgraded and modernized, Russian patent examiners will be trained to an international level of proficiency, and a business plan will be produced to seek financing for full automation of the patent office. The project will contribute to increased trade with Russia by providing better protection for Canadian intellectual property and investments.

Environmental Training

This \$350,000 initiative seeks to minimize the environmental impact of oil and gas exploration and production in Russia. Russia's oil and gas industry accounts for a significant share of the country's GDP and foreign exchange earnings. Under the project, 16 managers of six Russian producer associations will travel to Canada for training in Canadian technologies and operating procedures related to such areas as the prevention of leaks and spills, clean-up methods, emissions reduction, emergency preparedness, and legal and regulatory requirements. Trainees also will tour various Canadian oil and gas operations to study Canadian technologies and techniques in operation.