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CANADA

Communiqué

No. 3

FOR IMMEDIATE RELEASE
JANUARY 21, 1977



ANNOUNCEMENT BY THE
SECRETARY OF STATE FOR EXTERNAL AFFAIRS,
ON THE OCCASION OF HIS VISIT TO PERU,
OF SEVERAL AGREEMENTS IN THE
TECHNICAL CO-OPERATION AND
FINANCIAL SECTORS

DEPARTMENT OF EXTERNAL AFFAIRS
MINISTÈRE DES AFFAIRES EXTÉRIEURES

On the occasion of his official visit to Peru, the Secretary of State for External Affairs of Canada, the Honourable Don Jamieson, was pleased to announce the signature on Thursday, January 20, 1977 of six technical co-operation subsidiary agreements amounting to more than Canadian \$5,000,000 as follows:

1. The investigation and production of rapeseed integrated with other crops cultivated in the highlands -- \$3,000,000.

Through this grant CIDA* will assist in the purchase of equipment and administration of a pilot project in rapeseed seed production located in Puno near Lake Titicaca in the highland region.

Preliminary studies undertaken by CIDA indicated that 170,000 acres in the Department of Puno may produce rapeseed. The project focuses on the research and selection of seed varieties adaptable for cultivation in the highland. The cultivation of rapeseed would increase production of edible oils by 25 per cent.

The possibility of extending this cultivation to surrounding areas could represent potential self-sufficiency for the country. Furthermore, the implementation of this project will give rise to additional benefits such as the diversification of crops in the surrounding areas and the rational use of modern cultivation methods using agricultural machinery.

2. A training programme for the forest development and forest industry project in Peru -- Canadian \$820,000.

This project is unique in that it consists essentially of fifty scholarships for Peruvian professional and technical personnel at present working in the agricultural, and industrial and tourist sectors as well as for a number of university professors in the field of forestry sciences. The scholarships in forestry sciences and related fields are of two kinds. Most are for a period of two years and lead to a Master's Degree. Some, however, are for short term practical training. In either case, the studies can be undertaken in Canada or in third countries in Latin America with a recognized expertise in forestry management.

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*Canadian International Development Agency.

Through this project, it is hoped that a contribution will be made to the training of Peruvian technical and professional cadres who will have responsibility for the rational exploitation, use and conservation of forest resources, which Peru possesses in abundance.

3. The rationalization of the administration of railway transport and costs systems Canadian-\$365,000.

By means of this project CIDA is providing advisers whose responsibility it is to undertake studies on the possibility of establishing new administration operations systems for railway transport.

Because of the high cost of petroleum, the more rational use of railways for the transport of passengers and goods is now a priority need in Peru.

4. The study and implementation of a sectoral system of statistical information -- Canadian \$150,000.

The object of this project is to collaborate with the transport communications sector in establishing a statistical system which will allow the collection of reliable and up-to-date statistical data for the management, evaluation and control within the sector.

5. Advisory services for the senior administration of the Ministry of Industry and Tourism in the development of the national iron and steel industry -- Canadian \$100,000.

The purpose of this project is to assist the national iron and steel industry in reaching its full development so that it can play a fundamental and leading role in the permanent economic development of the country. The project is also intended to establish the criteria that will allow the identification, implementation and evaluation of current and future iron and steel projects. It is equally intended to contribute to the elaboration of methodology for the selection and negotiation of iron and steel technology that can be adapted to the development of the national industry.

6. Technical co-operation to the national telecommunication corporation (ENTELPERU) -- Phase II -- Canadian \$725,000. Phase III -- Canadian \$820,000.

After a first project that established the basic plan for the installation of telephone lines in 71 cities along the South Coast of Peru, these two projects provide the services of advisers who at present are preparing similar plans for installing a microwave system in the East of the country, which is considered a zone with great economic potential in the not too distant future.

The above-mentioned projects will be implemented immediately, some of them already being in the initial stages of execution.

At the present time the Canadian Government, through the Canadian International Development Agency (CIDA), is also involved in technical co-operation projects together with official Peruvian entities for an overall sum of approximately Canadian \$20,000,000.

In the financial sector, the Secretary of State for External Affairs is also pleased to announce that the Government of Canada has granted to the Government of Peru two lines of credit totalling Canadian \$8,000,000 for the following projects:

1. Line of credit for feasibility studies -- Canadian \$3,000,000.

This CIDA loan granted to the Government of Peru through COFIDE* will allow Peru to plan its investment programmes, which ought to give rise to a positive social impact in the long term.

2. Line of credit for institution support -- Canadian \$5,000,000.

This CIDA long term loan without interest is also granted through COFIDE and will allow Peruvian industrial enterprises, be they public or private, to obtain the necessary funds for the purchase of Canadian machinery and equipment which are necessary for their development.

The interest which COFIDE receives through re-lending to the industrial enterprises will form a special fund that will be used in support of the socio-economic development agencies of Peru.

In both these instances, the first repayment date on the loans is in 1983.

In September 1975 the Export Development Corporation of Canada agreed to discuss projects in Peru up to a value of 300,000,000. Out of this sum, the Secretary of State for External Affairs has announced the following loans totalling Canadian \$28.32 million.

1. Sale of construction management services -- Canadian \$1.6 million to COFIDE for the sale of construction management services by Commonwealth Construction Co.Ltd. to INDUPERU for a newsprint mill.

2. Sale of a steam generating unit -- \$3.22 million to Centromin for sale of a steam generating unit by Combustion Engineering Superheating Ltd. to Cap Cartavio, a sugar co-operative.

3. Sale of design engineering project management and equipment -- Canadian \$23.5 million to Centromin for the sale of engineering services, project management services and equipment for the modernization and expansion of an electrolytic zinc plant. SNC of Montreal will provide the services and act as procurement agent.

The Secretary of State for External Affairs has announced the gift of an Agriculture Canada Fellowship to Peru. The one year fellowship will allow the recipient to obtain on the job experience at the headquarters of Agriculture Canada in Ottawa. The fellowship is one of ten awarded annually on a world-wise basis by Agriculture Canada.