

News Release

October 24, 1994

No. 213

OUELLET ANNOUNCES TECHNICAL ASSISTANCE PACKAGE FOR UKRAINE

Foreign Affairs Minister André Ouellet today announced a package of new Canadian technical assistance initiatives totalling \$23.8 million designed to support economic and political reform in Ukraine. The projects target the economic reform program and private sector development in Ukraine, address pressing security and nuclear safety issues, and further land reform and privatization efforts.

"These new initiatives provide practical, immediate assistance in areas of primary importance to Ukraine's reform efforts. Building upon our country's long-standing special relationship with Ukraine, they demonstrate Canada's strong commitment to support Ukraine during this period of transition," said Mr. Ouellet.

Approximately half of the package targets Canadian assistance efforts to the top priorities of economic reform and private sector development. Initiatives include a \$10-million strategy to support Ukraine's emerging private sector with an emphasis on business advisory and training services for small and medium-sized enterprises. Other contributions, totalling \$2.2 million, to two World Bank projects will support economic management training for more than 500 private and public sector officials and provide technical expertise on external debt management.

Security and nuclear safety initiatives comprise the second major element of the Canadian assistance package. Canada will contribute \$5 million to support Canadian participation in the recently established Science and Technology Centre in Kiev, which aims to re-apply the skills of weapons scientists and engineers to commercially viable civilian activities. Canada will also provide a \$3.3-million contribution for a nuclear fuel management project.

Another Canadian initiative will support the design and implementation of a land registration and management system in the Kosiv Rayon in western Ukraine.



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

The attached background document provides further details on all these new Canadian initiatives.

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For further information, media representatives may contact:

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Backgrounder

NEW CANADIAN ASSISTANCE PROJECTS FOR UKRAINE

The projects announced today are part of Canada's ongoing program of assistance with Ukraine. Comprising technical, nuclear safety and humanitarian assistance, the program has three primary objectives: to support the transition to a market-based economy; promote democratic development; and increase Canadian trade and investment links with Ukraine. With today's announcement, the Canadian assistance program has committed close to \$65 million to some 80 projects. The program is managed by the Bureau of Assistance for Central and Eastern Europe, Department of Foreign Affairs and International Trade.

Canada's technical assistance program concentrates its activities in five priority sectors which match Canadian expertise with Ukrainian economic and political reform priorities. The priority sectors are democratic development and good governance, private sector development, health, agriculture and environment. In addition, a \$15-million nuclear dismantlement package supports activities related to nuclear dismantlement and enhanced civilian nuclear safety systems in Ukraine.

The new projects include:

Private Sector Development

A \$10-million strategy will provide support to Ukraine's emerging private sector with an emphasis on small and medium-sized enterprises. Canadian assistance will focus on micro-loan programs and supporting business advisory services for small business, support for grassroots business advocacy organizations and economic development commissions, and practical business education programs. The package will be designed to foster enhanced trade and investment links between Canada and Ukraine.

Economic Management Training

Canada will contribute \$1.5 million to the World Bank's Economic Development Institute to support economic management training programs in Ukraine and other countries of the former Soviet Union. Over two years, some 500 enterprise and bank managers, government officials and educational trainers will receive instruction in the areas of market economics, enterprise restructuring, privatization, and financial institutions and systems. Some of the advanced training sessions will be held in Canada, utilizing Canadian experts as trainers.

Policy Advisors Fund

A two-year \$1-million Policy Advisors Fund will support the placement of senior Canadian policy advisors and technical experts in Ukraine to provide expertise on issues central to the country's economic reform program. A flexible, fast-acting mechanism, the Fund will respond to requests from the Ukrainian government as well as Canadian initiatives. Drawn from the public and private sectors, Canadian advisors will work in areas key to economic reform such as fiscal and monetary policy, privatization, and price and trade liberalization. The Fund will also support short-term training and study visits to Canada for a select number of senior Ukrainian officials. The project is managed by Veles Consulting Corporation of Toronto.

External Debt Management

Canada will contribute \$700 000 to an 18-month World Bank project providing technical expertise to Ukraine, Moldova and Belarus in the area of external debt management. Drawing upon Canadian experts, the project will assist in the development of effective policies and legal frameworks for external borrowing, establish clear debt-monitoring procedures for central banks and ministries of finance, and contribute to the creation of a cadre of highly trained specialists in debt management.

Science and Technology Centre

Canada will contribute \$5 million over two years to support Canadian participation in the recently established Science and Technology Centre in Kiev. The Centre will act as a catalyst for science and technology projects designed to provide Ukrainian weapons scientists and engineers with alternative employment by re-applying their skills to potentially commercially viable civilian activities. Canada's contribution will include scientific assessments and funding support for selected projects, Canada's share of Centre administration costs, and the provision of Canadian staff including the Centre's first Executive Director, Dr. Estop Hawaleshka, Professor of Industrial Engineering at the University of Manitoba in Winnipeg. Canada is one of four founding members of the Centre, together with Ukraine, Sweden and the United States.

Nuclear Fuel Management

A three-year \$3.3-million project managed by Ontario Hydro International Inc. of Toronto will transfer Canada's unique High Density Concrete (HDC) canister technology for the interim dry storage of spent nuclear fuel to power plants at Chernobyl and Rivne in northwestern Ukraine. Safe storage of spent nuclear fuel is an urgent problem in Ukraine which lacks reprocessing

facilities or a long-term storage site. Under the project, canisters and ancillary equipment will be designed for the nuclear power plants and safe storage sites established. In co-operation with Ukraine's State Committee on Nuclear Power, domestic capabilities for the production of HDC canisters will also be developed. The initiative will provide Ukraine with an inexpensive and safe means of storing spent nuclear fuel while helping to address international regulatory concerns. The project is part of Canada's \$15-million nuclear safety assistance package announced by Foreign Affairs Minister André Ouellet in Kiev in April 1994.

Land Registration

A 13-month \$2.3-million project will support the design and implementation of a pilot land registration and management system in the Kosiv Rayon in western Ukraine and train Ukrainian officials in its use. The computerized system will compile an automated register of land ownership and land use rights, link the register to accurate property maps and issue land titles. It will also support effective land management in such fields as urban and environmental planning. In co-operation with the Ukrainian Ministry of Justice, supporting land-related legislation will be reviewed and developed under the project. The system is being developed with the long-term aim of country-wide application. Led by UMA Engineering Ltd. of Edmonton, a consortium of Canadian companies including DMR Group Inc. of Montréal and Intergraph Canada Inc. of Calgary, as well as the Alberta government, will manage the project. The Ukrainian project partners are the Land Resources State Committee and the Main Administration of Geodesy, Cartography and Cadastre.