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McDOUGALL TO ATTEND LISBON CO-ORDINATING CONFERENCE ON ASSISTANCE TO THE COUNTRIES OF THE FORMER SOVIET UNION

The Secretary of State for External Affairs, the Honourable Barbara McDougall, today announced that she will attend the Lisbon Conference on Economic Assistance to the Countries of the Former Soviet Union (FSU), May 23-24. While in Portugal, the Minister will also hold regular Canada-European Community (EC) bilateral consultations.

The Lisbon Conference is the second ministerial meeting on assistance to the FSU. The first was held in January, in Washington.

"The Washington Conference succeeded in focusing the efforts of the international community on helping the FSU through a winter of shortages and economic hardship. Now we must look to the longer term," said Mrs. McDougall. "The priority is reform that will prevent a recurrence of such an emergency next year. The co-operation and co-ordination evident since Washington show that the international community is committed in the long term to supporting reforms and reformers in the region."

Since the Washington Conference, the countries of the FSU have been accepted into the World Bank and the International Monetary Fund. They have been invited to attend, and will have the opportunity to address, the Lisbon meeting. Mrs. McDougall will speak in her capacity as Co-chair of the Working Group on Food.

On May 24, Mrs. McDougall will meet with Portuguese Foreign Minister Pinheiro (in Portugal's capacity as President of the European Community) and European Commission Vice-President Andriessen for the latest in a regular series of Ministerial Consultations under the provisions of the Declaration on EC-Canada Relations.

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For further information, media representatives may contact:

Media Relations Office
External Affairs and International Trade Canada
(613) 995-1874



CANADIAN ASSISTANCE TO THE COUNTRIES OF THE FORMER SOVIET UNION

Canadian economic assistance has several components: humanitarian assistance, technical assistance, food credits, commercial credits and support to Canadian commercial firms.

HUMANITARIAN ASSISTANCE

- A contribution of \$7 million has been made to the Canadian Red Cross Society for the purchase of medicaments and medical supplies (syringes, sutures, dressing sets, compresses, thermometers) for vulnerable groups in Russia, Ukraine, Armenia, Nagorno-Karabakh, Kyrgyzstan, Moldova and Belarus.
- Children in hospitals and orphanages and the elderly in and outside of institutions were the primary targets.
- Department of National Defence flights delivered most of the assistance between January and May 1992.

TECHNICAL ASSISTANCE

- The Task Force on Central and Eastern Europe is managing a three-year \$25-million program of technical assistance to the countries of the former Soviet Union and the Baltic States.
- The Task Force has approved close to 50 projects valued at around \$14 million, with a large number in the critical areas of energy and agriculture.
- The program's three main priorities are:
 - 1) support for market-oriented economic reforms, by assisting in the creation of private enterprises and management training;
 - 2) assistance to Canadian firms wishing to increase trade and investment in the region, with a focus on energy and natural resources, agriculture, environment and health; and
 - 3) support for democratic development.

FOOD CREDITS

- **Canadian Wheat Board US\$1.5 billion line of credit for Russia:** Canada and Russia signed a Long-Term Grains Agreement on February 1, during the visit of President Yeltsin. Under its provisions, the Canadian Wheat Board will sell a minimum of 25 million tonnes of wheat and feed grains to Russia over five years, with a target of five million tonnes a year.
- **EDC C\$150 million food line of credit for Russia:** The line of credit is for food supplies such as feed corn, vegetable oil and meat. Between November 1991 and January 1992, deliveries were made under contracts with the former U.S.S.R. The protocol activating the remaining C\$62 million was signed with Russia on April 28.

COMMERCIAL CREDITS

- **EDC C\$100 million capital goods and services line of credit for Russia:** The line of credit was announced February 1 1992, during the visit of President Yeltsin, and was signed on April 28.
- **EDC C\$50 million line of credit for Ukraine:** The Export Development Corporation signed the line of credit with the National Bank of Ukraine on February 18, 1992. An allocation of \$28 million has been made under this facility.

INTERNATIONAL CONTRIBUTIONS

- Canada has subscribed to a share (3.4 per cent) of the capital of the European Bank for Reconstruction and Development. In subscribing, Canada anticipates making a payment of \$120 million over five years.
- Canada is prepared to contribute to a Stabilization Fund for the ruble arranged through the General Arrangements to Borrow of the International Monetary Fund (IMF) in conjunction with the implementation, by Russia, of an IMF-approved economic reform program. Discussions are continuing on the mechanics of such a Stabilization Fund. The Canadian share of the US\$6 billion fund might amount to a loan of about US\$300 million.

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