



# CANADA'S TECHNICAL COOPERATION PROGRAM WITH UKRAINE

## CIDA PROGRAM UPDATE 1996

Canada has committed more than \$194 million in bilateral assistance to Ukraine comprising \$111 million in technical cooperation, \$13.6 million in humanitarian assistance, and \$70 million in commercial credits. In addition, Canada has provided \$26.5 million in multilateral assistance and regional initiatives to countries in Central and Eastern Europe, including Ukraine.

### Bilateral Technical Cooperation

The goal of Canada's program of cooperation with Ukraine is to deepen the existing special political and economic links between Canada and Ukraine by supporting democratic development and the transition to a market-based economy.

Canada's program of technical cooperation with Ukraine was established in July 1991 and is managed by the Central and Eastern Europe Branch of the Canadian International Development Agency (formerly the Bureau of Assistance for Central and Eastern Europe, Department of Foreign Affairs and International Trade). The Canadian Program of Cooperation underpins the maturing special partnership between Canada and Ukraine and draws extensively on the cultural ties of the community of Canadians with Ukrainian heritage.

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 Ukraine. To date, the bilateral technical cooperation program has committed nearly \$111 million to approximately 100 projects.

CIDA's program with Ukraine places an emphasis on projects that give rise directly to additional reform, or that increase the capacity of institutions and organizations to take advantage of opportunities created by reform begun elsewhere. The reform to which a CIDA-supported project gives rise should be as durable as possible. CIDA does not restrict its programming in Ukraine to particular sectors.

The major components of the Canadian technical cooperation program in Ukraine in 1996 are:

1. **Private Sector Development.** Activities in this sector provide support to the emerging Ukrainian private sector. Ongoing initiatives focus on small business development, small and medium sized enterprises, economic management training, and the development of credit unions.
2. **Democratic Development and Good Governance.** Ongoing initiatives focus on the strengthening of democratic institutions, development of a professional public service, and support for the establishment of a modern legal and judicial system.
3. **Promoting Trade and Investment.** The CIDA technical cooperation program can provide direct support for certain types of projects which aim to increase Canadian trade and investment links. The **Renaissance Eastern Europe** program promotes the development of joint ventures and investment opportunities in Ukraine on a cost-shared basis.

In the area of energy, Canada has made significant contributions both to multilateral initiatives and through its own programming in Ukraine. The Canadian pledge in 1994 of US\$24 million with respect to the closure of Chernobyl represented about one-eighth of pledges received from all G-7 countries. CIDA has supported a wide variety of projects in environment, energy, and nuclear safety.

### Humanitarian Assistance

Canada has committed \$13.6 million in humanitarian assistance to Ukraine. This includes the following contributions: \$6.6 million to the Canadian Red Cross Society for the delivery of essential medicine and medical supplies for Ukraine's most vulnerable groups (the elderly, children, expectant mothers, and

the disabled); a total of \$4.5 million to UNICEF to support the children's basic immunization program, including the provision of diphtheria vaccines; a total of \$402,000 to Help Us Help The Children, a Canadian non-governmental organization which provides humanitarian assistance to orphanages in Ukraine; and a recent contribution of \$100,000 for the purchase of medicines by the Crimea Integration and Development Program, initiated by the United Nations Development Program.

### Commercial Credits

In 1992, Canada was the first country to announce a Line of Credit for Ukraine, through the Export Development Corporation. The \$50 million Line of Credit for the purchase of Canadian goods and services has now been fully exhausted. An additional \$20 million was extended in October 1994, of which no disbursements have yet been made.

### Multilateral Assistance

Canada participates in the programs of the major international financial institutions, by co-financing projects and through the provision of Canadian expertise. Canada has also established Trust Funds at the European Bank for Reconstruction and Development (the World Bank). It has also committed a total of \$15.8 million to be disbursed until 1997/98 to allow for the hiring of Canadian consultants for bank projects in Central and Eastern Europe, including Ukraine.

### Regional Initiatives

Regional technical cooperation programming focuses on "people to people" initiatives, energy, private-sector development, democratic development, and health. Through regional initiatives, contributions to projects build on existing cultural linkages between Canadians and the peoples of the Former Soviet Union and Central and Eastern Europe. Ukraine has participated in over sixteen regional projects, valued at approximately \$10.7 million.

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