



CANADA - UKRAINE

MONITOR



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КАНАДА-УКРАЇНА

Winter 1994-95



*Commemorative
Photo Journal:*
**PRESIDENT KUCHMA'S
HISTORIC VISIT TO CANADA**
Special insert

- EXCLUSIVE INTERVIEWS
- NEWSBRIEFS
- BUSINESS FEATURES
- GUPP UPDATE
- ALBERTA-UKRAINE PROGRAMS
- G-7 CONFERENCE ON UKRAINE: SUMMARY & HIGHLIGHTS

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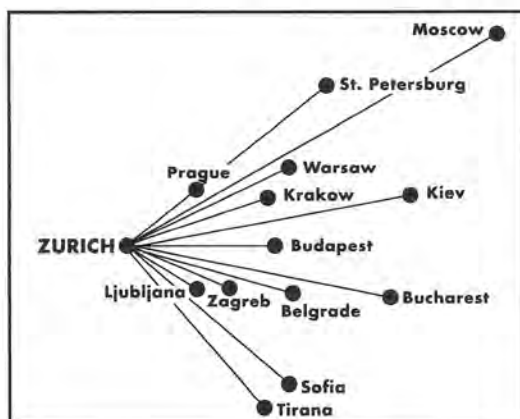
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Cover photo: Ukraine's President Leonid Kuchma and his Ministers meet with Prime Minister Jean Chrétien and members of his Cabinet in Ottawa. (Jim Carisse, PMO)



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G-7 CONFERENCE ON ECONOMIC TRANSFORMATION IN UKRAINE

Acting upon Canada's initiative, representatives of the Group of Seven industrial nations and leading world financial institutions came to Winnipeg to discuss helping Ukraine manage its transition to a free market.

A package of aid and credits ultimately worth as much as \$6 billion was on the table. The help which included a \$375 million line of credit from the International Monetary Fund, plus social assistance, loans and grants from individual nations, would be a reward for Ukraine's pledge to introduce a long-delayed economic austerity program.

Canada was the ideal nation to host the economic conference. Its special ties to Ukraine, forged by immigration over the past 100 years, had already made Canada Ukraine's strongest supporter in the West.

Leonid Kuchma's decision to undertake a five-day visit to Canada - his first official

trip to the West since his election - sealed the relationship.

Winnipeg, home to 60,000 Canadians of Ukrainian descent, was the perfect site for a conference that would symbolically proclaim Ukraine's coming-of-age in the post-Cold War order.

Following are the highlights of the Chairman's Summary on the G-7 Conference on Ukraine:

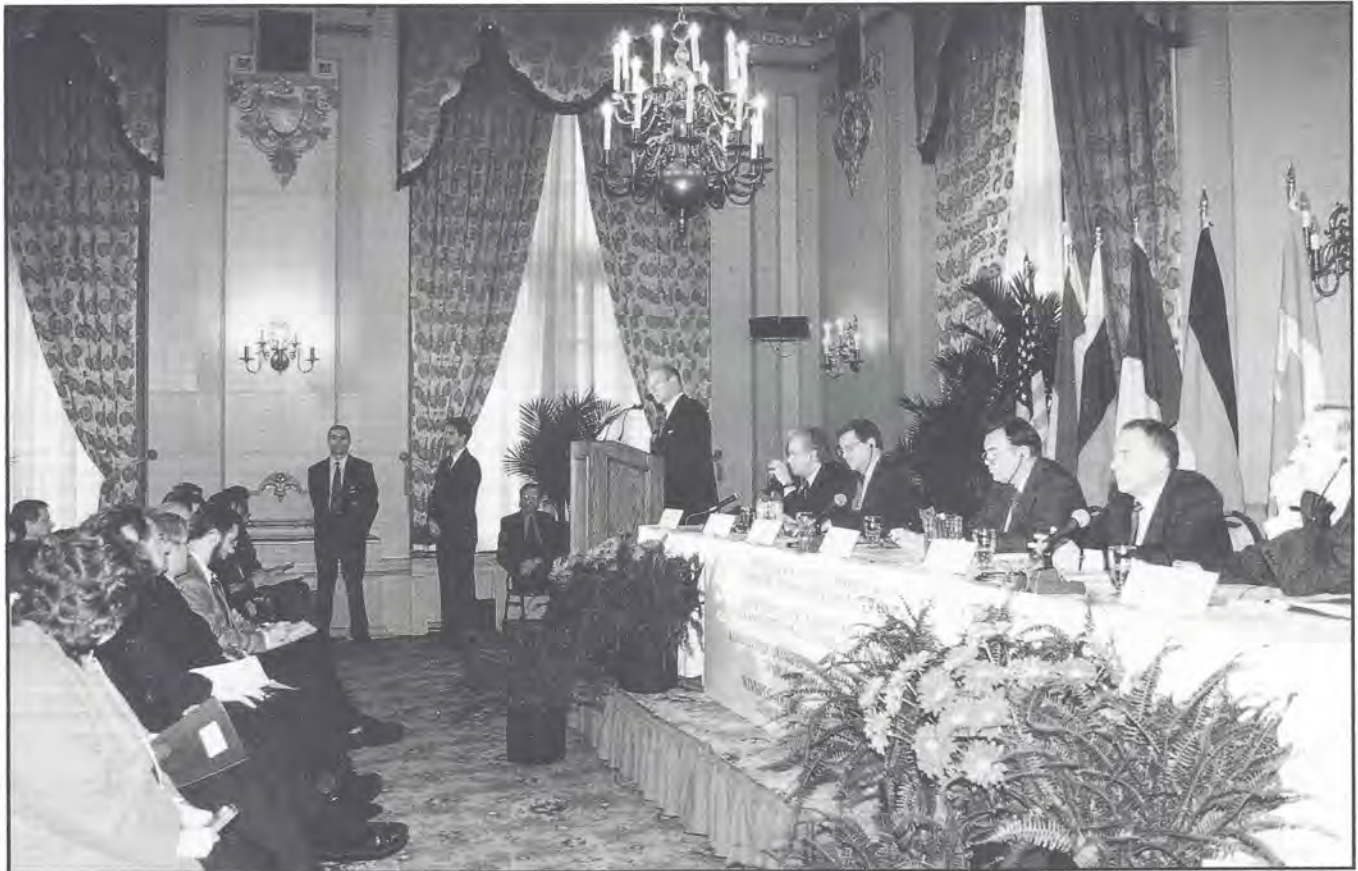
1. Successful transformation to a stable, market economy in a democratic Ukraine, fully integrated into the global community, is a goal shared by the people of Ukraine with the G-7, Russia, Turkmenistan and all other countries desirous of global peace and prosperity.

2. As an important step towards realizing this common goal, senior officials of the G-7, the European Union (EU), the

Ukrainian government and three international financial institutions (IMF, World Bank, and EBRD) met on October 27, 1994 in Winnipeg, as envisaged at the Naples Economic Summit, to exchange views on promoting economic reform in Ukraine. Officials from Russia and Turkmenistan were invited to the conference as major creditors to Ukraine.

3. The main objective of the Conference was to have an open dialogue on the necessary elements of a comprehensive reform program for Ukraine, as well as practical considerations associated with successful implementation of such a program.

4. The participants congratulated Ukraine for the sound measures that it has already initiated or announced to this end. They warmly welcomed President



V. REPIK (KYIV)

President Leonid Kuchma addresses G-7 Conference on Ukraine. L-R: David Walker (G-7); Hon. Lloyd Axworthy, Minister of Human Resources Development and Western Diversification, and Hon. André Ouellet, Minister of Foreign Affairs (Canada); Andrei Kozyrev, Minister of Foreign Affairs (Russia); and Michael Camdessus, Managing Director (International Monetary Fund).



Canadians welcome President Kuchma

Leonid Kuchma's state visit to Canada, the first by a Ukrainian President highlighted the special Canada-Ukraine relations for the 1994 calendar year. President Kuchma, his wife, Ludmyla, and a delegation of 63 spent five days in Canada in late October; it was his first official trip outside Ukraine since his electoral victory in July.

- ◇ The 56-year-old President was greeted on October 23 by Governor General Ray Hnatyshyn. A state banquet was held for Ukraine's first couple later that evening at the Governor General's official residence, Rideau Hall.
- ◇ The following day, President Kuchma met with Prime Minister Jean Chr tien, and the two signed a Friendship and Cooperation Agreement. At a joint news conference, Mr. Chr tien said he hoped that after Canada helps Ukraine's economy to grow, Ukrainians "will buy more goods and services from us."
- ◇ President Kuchma also met privately with the Speaker of the Senate Romeo LeBlanc, who has since become Canada's new Governor General, succeeding Mr. Hnatyshyn in early February.
- ◇ In a separate signing ceremony between Ukraine's Foreign Minister Hennadi Udovenko and Canada's Foreign Affairs Minister Andr  Ouellet, the Canadian government allocated a further \$23.8 million in technical assistance to Ukraine in the areas of private sector and policy development, security and nuclear safety, nuclear fuel management and land registration and management.
- ◇ Mr. Ouellet also unveiled another \$13.5 million in direct balance of payments assistance to Ukraine; \$20 million was also added to Ukraine's line of credit.
- ◇ Other Canadian-Ukrainian accords signed that day included: a Foreign Investment Protection Agreement, a Memorandum of Understanding on the Canadian Cooperation Program, an Economic Cooperation Agreement, a Military Cooperation Agreement and Memorandum of Understanding on Military Cooperation, and a Double Taxation Agreement.
- ◇ On October 25, President Kuchma travelled to Toronto, where he met with Ontario Premier Bob Rae and attended a symposium on Doing Business with Ukraine, organized in part by the Canada-Ukraine Chamber of Commerce. That evening, the President also addressed more than 1,100 enthusiastic supporters at a Ukrainian Canadian Congress banquet. A visit to the Pickering Station provided a demonstration of Ontario Hydro's new technology being acquired by Ukraine.

- ◇ Mr. Kuchma then flew on to Edmonton, where, in between meetings with provincial government officials and members of the Alberta Ukrainian-Canadian community, President Kuchma was wooed by over 800 schoolchildren from the Alberta Bilingual School Program, who sang the Canadian and Ukrainian national anthems in Edmonton's City Hall. He and his officials participated at an Alberta-Ukraine Business Seminar, and attended a banquet in their honour.
- ◇ Before heading for Winnipeg on October 26, the President stopped briefly in Saskatoon, where he met with another prominent Ukrainian-Canadian, Saskatchewan Premier Roy Romanow.
- ◇ Later that day, Mr. Kuchma arrived in Winnipeg, on the eve of the special G-7 Conference on Economic Transformation in Ukraine. He met with Manitoba Premier Gary Filmon (also of Ukrainian ancestry). That evening, he was the guest of honour at a Ukrainian Canadian Congress community banquet attended by over 800 people. Senior Federal government Minister Lloyd Axworthy announced the creation of a bilateral national employment service with Ukraine, along with a Canadian research and training reform program. As everywhere, the delegation talked business at a Canada-Ukraine Business Symposium.
- ◇ The next day, President Kuchma opened the G-7 meeting at the Hotel Fort Garry, where 80 senior officials from 14 delegations had gathered. Mr. Kuchma outlined his commitment to economic reform in Ukraine: by cutting Ukraine's budget by 15% of the country's gross domestic product, increasing interest rates, setting inflation targets to lower the rate from this year's 842% to 210% next year, increasing the price of goods, water and electricity, introducing the long-awaited hryvnia and privatizing 6,000 government-owned facilities. In turn, the G-7 group offered Ukraine \$1.2 billion in assistance.
- ◇ Russia's Foreign Minister Andrei Kozyrev appeared unexpectedly at the G-7 Conference to encourage G-7 delegates to help Ukraine pay off its \$363.3 million debt to Russia. Later, President Kuchma visited a rural Manitoba dairy farm. His last official function in Canada was to lay a wreath at the monument to Ukraine's national poet Taras Shevchenko.

➤ See pages 18-19 for the Business Conference summaries.

(Monitor and Ukrainian Weekly files)

Kuchma's reaffirmation of his government's commitment to comprehensive economic reform in a keynote speech at the opening session of the Conference. This commitment was elaborated by the Ukrainian officials at the Working Session.

5. ECONOMIC REFORM PROGRAM

The Ukrainian representatives outlined the key elements of their comprehensive agenda for economic reform, reviewing four main areas: macroeconomic stabilization, economic liberalization, structural reform and social safety net reform. Participants agreed that full implementation of this initial

set of measures would set the Ukrainian economy firmly on the path to stability and renewal.

6. MACROECONOMIC STABILIZATION

Ukrainian representatives affirmed their plans to implement credit and monetary policies aimed at securing low inflation and a stable exchange rate, and to adopt measures to reduce the budget deficit sharply. Participants agreed that these actions represent a crucial step in securing credibility and broad-based support for the overall economic reform program and

welcomed the priority that Ukraine attaches to their early implementation.

7. ECONOMIC LIBERALIZATION

Ukrainian representatives also described the unification of exchange rates and liberalization of most prices, and the planned abolition of most export quotas and licenses. Participants agreed that these are central requirements of an efficient market economy and noted the importance to Ukraine's future economic prospects of secure access to world export markets.



8. STRUCTURAL REFORM

Ukrainian representatives further described their program for accelerated privatization of state enterprises, enforcement of bankruptcy law, fostering private ownership and enterprise, and comprehensive agricultural sector and land reform. Participants agreed that comprehensive structural reform, in particular privatization and growth in the number of small and medium-sized enterprises, will allow the economy to begin to respond to the market signals emerging from newly liberalized prices, including the price signals coming from international markets. They also noted that economic liberalization and structural reform would together create a positive climate for private sector investment and open the door to private sector capital from abroad, a prospect which is central to achieving a mature market economy since the potential for such capital flows far exceeds the potential for official assistance. Even more importantly, participants noted, private capital flows will be accompanied by transfers of technology and know-how to Ukrainian industry that will allow them to compete effectively on world markets. Finally, participants agreed that reform of the energy sector, including more appropriate energy pricing and addressing environmental concerns, was an essential element of the overall reform program and that this would facilitate the implementation of the G-7 Action Plan approved by the Naples Summit. They welcomed President Kuchma's statement in the plenary session that he would seek the timely decommissioning of the Chornobyl nuclear power plant, with the benefit of external finance and technical assistance.

9. SOCIAL SAFETY NET REFORM

Ukrainian representatives and other conference participants also agreed on the critical importance of targeted and compassionate social policies that both respect the government's fiscal realities and support the transition of Ukrainian workers and their families from a reliance on outmoded industrial structures to productive employment in new private sector firms founded on Ukraine's rich economic potential.

10. FINANCIAL ASSISTANCE FOR REFORM

All conference participants strongly endorsed the importance of timely international financial assistance to support the ambitious economic reform program on which Ukraine is now embarking. They affirmed the necessity of staged

consideration of this assistance, at a pace to be determined by the speed and scope of economic reforms implemented by Ukraine.

11. Conference participants noted with satisfaction the fact that the first elements of support are being mobilized immediately in response to Ukraine's own early efforts. They noted in particular that very significant financial assistance will be forthcoming in the fourth quarter of 1994 for Ukraine from a broad range of bilateral and multilateral sources. In this context, participants congratulated the Ukrainian representatives on the fact that their reform program is sufficiently comprehensive and ambitious to have merited approval of the first tranche of a Systemic Transformation Facility from the IMF. To complement the initial tranche of about US\$371 million provided under the STF agreed to on October 26 by the IMF Executive Board, participants were urged to be forthcoming with balance of payments grants and loans and fast-disbursing export credits. They also noted the willingness of Russia and Turkmenistan to contribute to the fourth quarter financing requirements through regularization of debt servicing obligations under the conditions provided for in the STF agreement. Participants are looking forward to the implementation of structural reform measures supported by the World Bank which would allow initial disbursement of the Bank's rehabilitation loan in the fourth quarter of this year.

12. Participants noted, moreover, that resolute implementation of this program and adoption of progressively more comprehensive reform measures would open access to further resources as following:

- Based on current arrangements, a second tranche of US\$371 million could be disbursed to Ukraine under the STF, consistent with full implementation of the current reform program.

(Continued on page 16)

See also Newsbriefs, page 15.

HEADS OF G-7 DELEGATIONS

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Roman Shpek, Minister of Economy

RUSSIAN FEDERATION

Andrei Kazmin, Deputy Minister, Ministry of Finance

TURKMENISTAN

Tcharnazar Annaberdiev, Chargé d'Affaires, Embassy of Turkmenistan



Canada-Ukraine Partners Program (CUPP)

The Canadian Government, through the Department of Foreign Affairs and International Trade, Bureau of Assistance for Central and Eastern Europe, has established a technical cooperation program with Ukraine. The Ukrainian Canadian Congress (UCC) manages the Canada-Ukraine Partners Program which consists of four components: Partners for Civil Society, Partners in Agri-Food, Partners in Public Management, and Partners in Health. Recent activities of these organizations are highlighted below.

PARTNERS FOR CIVIL SOCIETY

The Partners for Civil Society Program, managed on behalf of the UCC by the Canadian Bureau for International Education, is intended to strengthen the human and institutional capacity of organizations in Ukraine to undertake reform. The program emphasizes direct people-to-people contact, community development and the strengthening of civil society through the implementation of small-scale, practical technical assistance projects. It is expected that 40 Canadians will be placed in Ukraine and 10 Ukrainian participants will come to Canada for practical attachments. The Partners for Civil Society Program is a 12-month project which commenced in October, 1994. It provides a funding mechanism for Canadians who have an interest in assisting the reform process in Ukraine.

The primary objective of the Partners for Civil Society Program is to strengthen institutions and organizations which support the development of civil society. The focus on strengthening local institutional capacity is key to this program. To date, the Partners for Civil Society Program has targeted three organizations which include Kyiv-Mohyla Academy, Social Services of Ukraine, and the Lviv Board of Education. The Canada Ukraine Partners Office in Kyiv is gathering information on a number of institutions which are currently being considered as potential Ukrainian Partners. This list of organizations includes the Association of Young Politicians and Political Scientists, Helsinki Citizens' Assembly, Journalists' Union of Ukraine, Lviv Institute of Management, and the Women's Journalist Club.

In December 1994, a civil society participant Oksana Wynnyckyj departed for Ukraine to fulfil her project with the Lviv Board of Education. She will

provide a ten week course to primary teachers entitled "Meeting the needs of the individual child in the primary classroom" with the assistance of three Lviv teachers who have been experimenting with developmental teaching and learning in their classrooms. She will also hold monthly seminars on developments in education for teachers who have successfully completed previous courses conducted by Canadian educators, and implement a previously developed series of curriculum materials for grades 1-4. This project is important to the development of civil society for it focuses on the individual needs of each student, encourages creativity and positive reinforcement in the classroom. This approach is a major departure from the former Soviet education system with its emphasis on obedience, rote memory and non-questioning approaches. As well, the project focuses on strengthening local institutional capacity to carry out the broad project objectives through the training of primary school teachers for the Lviv Board of Education.

For a complete project proposal application guide, please write to Oksana Kowalchuk, Project Manager (see CUPP ad page 9).

PARTNERS IN AGRIFOOD

The Canada Ukraine Partners Program (CUPP), Agri-food Sector is being implemented jointly by the Agriculture Institute of Canada (AIC) and the Canadian Federation of Agriculture (CFA) and housed in the CFA offices at 75 Albert Street in Ottawa. The Project is staffed by 2 Project Officers, one dealing with overseas projects and placements, and the other dealing with recruitment.

During the 1st year, the CUPP Agri-food Sector will send 40 volunteers

placements to Ukraine and 10 Ukrainians will visit Canada for work placements. Agrifood sector placements will provide assistance in the following areas: policy monitoring; primary production; processing; and education/extension training.

AIC/CFA will work closely with the Agri-food Representatives at CUPO in Kyiv to ensure that the project selection and placements are appropriate to Ukraine and that the process runs smoothly and in a timely manner. In addition, projects will be clustered together to facilitate the creation of project linkages and increased usage of Canadian expertise. Whenever possible a team approach will be implemented to provide the hosts with a multidisciplinary perspective.

In addition, the return volunteer placement section of the program will enable Ukrainian counterparts to travel to Canada and gain practical skills and knowledge by working side by side with Canadians, and will have an added long term impact on the value of the CUPP Agri-food Sector program and agri-food industry in Ukraine.

In an attempt to endorse projects with sustainable as well as mutually beneficial outcomes, AIC/CFA have been organizing placements in a cyclical fashion and trying to maintain projects through various phases of development.

The following example explains the three phases involved with the Kharkiv Dairy Project. In the first phase, Dairy Team A would be composed of Eric Williams, Roger Jefford, and Jim Tunney.

KHARKIV DAIRY PROJECT

Phase I - Dairy Team A: The need that must be addressed is recognizing and resolving the problems evident in the last phase milk production - transporting milk to dairy - first phase processing and helping the dairies increase shelf life, nutrient contents and quality of the milk. Working at resolving the problems while



on site, DAIRY TEAM A will return to Canada with a list of recommendations for relevant Canadian stakeholders outlining the material needs of the sector as well as the mutually beneficial role for the Canadian Dairy Associations and Industries to play in Ukraine. They will also explain the ultimate goal of product development, market expansion and alternative packaging.

Phase II - Dairy Team B: The project would then sponsor two individuals to come to Canada and observe our production and processing lines, as well as discuss product and packaging developments with key members of the dairy industry.

Phase III - Dairy Team C: Two processing experts would travel to Canada and work with the dairy groups and advise on processing. Focusing on product expansion and packaging alternatives, the experts would also look at potential market channels and prepare a list of recommendations for interested parties.

Rationale for organizing phase/team approach to the project stems from trying to address the problems at the grassroots level to ensure sustainable development and advancement of new dairy products. This is a fundamental area of technical cooperation which must be respected prior to the processing issues. The processing issues, which are

equally important, require sizable financial and technical aid. Their successful evolution is dependent on the quality, quantity and reliability of the primary product (milk). Due to the experience of our missions and volunteers, the first step to aiding the expansion of dairy processing and resolving other processing issues is explained above in Phase I.

The types of Canadian professionals in high demand include:

- Production & Processing of Pasta, Meat and Cheese, Soya Bean, Sugar Beets, Sunflowers
- Aqua Agriculture
- Crop/Food Storage
- Food Irradiation
- Usage of Non-traditional Energy Sources
- Agricultural Machinery
- Economics/Efficiency & Management

Professionals interested in receiving more information about the CUPP Agri-food Sector Program, or a list of the individual projects, should contact Joanne Charnetski at AIC in Ottawa.

PARTNERS IN HEALTH

A two-week mission visit was conducted to Ukraine during the period November 25 to December 6 by Paulette Schatz, Program Officer and two advisory committee members, Dr. Dmytro Cipywnyk and Dr. Olga Roman. Olena Kurysko, health sectoral specialist, from the Canada-Ukraine Partners Office in Kyiv also participated in the meetings.

The main goal was to meet with the partner organizations and plan phase two of the program. After numerous meetings, Partners in Health signed Letters of Agreement for Cooperation with twenty-six organizations of which twelve are in Kyiv, ten in Lviv and four in Odessa. The organizations include departments from the Ministry of Health, graduate and post graduate institutes, hospitals, schools and non-governmental organizations, such as the Anti-AIDS Clinic, a Youth Support Agency and several rehabilitation centres.

In responding to the need for journals, publications and updated literature, Partners in Health is providing assistance to eight organizations to link them up with the INTERNET. In addition, a great number of organizations requested information on the Canadian health care system, and as a result, a two-day seminar is being planned for four different locations - Kyiv, Lviv, Odessa, and Kharkiv.

By January end, there will have been four Canadian health professionals placed in Ukraine and four Ukrainian health professionals will have been to Canada for training. The Canadians have been working in the areas of clinical pharmacy, rehabilitation of cerebral palsy children, health education and physician education. The Ukrainians have been attending training courses in Canada on a variety of youth counselling services and program management.

Overall, the mission visit was a time to meet with partner organizations and plan projects which in turn will continue to contribute to the reform in Ukraine.



PHOTO: N. ROMAS

December meeting of the CUPP management team in Ottawa. Top row, l-r: Oksana Kowalchuk (Civil Society); Orest Rudzik (UCC); Oleh Romaniw (President, UCC); Mykola Switucha (CUPP); Sally McLean (Consultant); Maria Hentosz (CBIE); Emil Baran (VP, CBIE). Bottom row, l-r: Joanne Charnetski (Agri-Food); Paulette Schatz (Health); Marie Fortier-Balogh (Public Management); Andriy Hluchowecy (UCC & C-U Monitor); Elaine Sigler (Agri-Food); Patricia Campbell (Foreign Affairs); Gilles Beaulieu (Consultant).



PARTNERS IN PUBLIC MANAGEMENT

In December 1994 Marie Fortier-Balogh, Director of International Programs, Institute of Public Administration of Canada and Jim Beaulieu, Deputy Minister of Urban Affairs and Housing, Province of Manitoba and Past President of IPAC participated in this phase's first mission to Ukraine on behalf of the Partners in Public Administration component of CUPP. During the ten-day mission centred in Kyiv, meetings were held with senior government officials in various departments such as taxation, environmental protection, transportation and culture to build on previous working relationships and to encourage their continued participation in CUPP.

Four IPAC advisors have already been to Ukraine; the bulk of IPAC advisors will be going between March-May, 1995. The IPAC missions are targeted in nature; its projects are developed as a result of requests from Ukrainian government departments.

The areas of specialization of Canadians participating under the Partners in Public Management program at this point include environment, city administration (targetted for Lviv), community and social services

UCC NATIONAL CUPP ADVISORY COMMITTEE

The Ukrainian Canadian Congress has an Advisory Committee, chaired by Vice President John Petryshyn and a Provincial Sub-committee organization to manage and administer CUPP.

The Committee's terms of Reference:

1. To provide policy advice and direction and liaise with the CUPP Program Manager;
2. To review CUPP projects for consistency with overall CUPP goals and objectives as outlined in the Department of Foreign Affairs - UCC Contribution Agreement;
3. To ensure that overall financial accountability is maintained on the program;
4. To promote visibility of the program with the Ukrainian Canadian community as well as the wider Canadian public;
5. To liaise with Federal Government and responsible Ministries in regard to CUPP;
6. Strategic issue planning in regard to the ongoing development of the CUP Program and its relationship to other technical assistance programs funded by the Government of Canada; and
7. Identify and enhance areas not currently

addressed within the current program placements of Sector Management Organizations.

UCC Provincial Sub-Committees consist of a chairperson identified in each province who has the authority to co-opt members selected for their expertise or involvement by sector, including, in particular, those individuals with past PIP and CUPP experiences. Their goal is to generally enhance and promote the CUP Program within their province and within the framework of the UCC National - CUPP Advisory Committee. In cooperation with host organization and CUPP Manager, they assist program participants from Ukraine who are placed in their province in the successful attainment of their project objectives. They also assist in disseminating information about ongoing project placements and planned activities in cooperation with the CUPP Manager and Sector Management Organizations. They enhance pre-departure briefing orientation by networking former program participants to contribute to information and materials.

(particularly youth services), aircraft certification, taxation and economic and small business development. A smaller number of Ukrainians will intern in Canada with their counterparts in the Canadian public service; the first group is expected

to be professionals in the area of environmental protection and will arrive this spring. ■

CANADA-UKRAINE PARTNERS PROGRAM (CUPP)

*Funded by the Department of Foreign Affairs and International Trade Canada
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CESO Business Linkage Opportunities in Ukraine

Canadian Executive Services Overseas (CESO) is a Toronto-based non-profit, volunteer organization that transfers Canadian expertise to businesses, communities and organizations in order to help them achieve their goals of economic, social and technical self-sufficiency. CESO volunteers serve as advisors and trainers to clients around the world including in the new market economies of Central and Eastern Europe. CESO's European programs have focused on the privatization and restructuring, as well as on the new private sector especially with smaller and medium-sized companies. This involves direct assistance with marketing, accounting, costing quality control, and upgrading managerial skills at all levels.

Requests for assistance in Ukraine have included several banks and manufacturers, the Ukrainian Stock Exchange, RUKH, insurance companies, the National Ecological Centre, and the Donetsk City Council.

CESO REVAMPS EUROPE PROGRAM

CESO has revamped its assistance program to the new market economies of Europe: the motto for the future is "business linkages".

The key to CESO's new program focus will be the establishment of a Business Linkages Unit for Europe, designed to supply the human and financial resources needed to turn ideas for new trade links and other economic opportunities into reality. The new unit, to be set up in early 1995, will serve as an active link between CESO clients and the Canadian private sector.

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including Ukraine, CESO is re-focusing its program strategy to emphasize economic partnership. The move comes in recognition of the growing viability of the region's private sector and a belief that both the Canadian and new European markets stand to gain by doing business together.

Interested CESO clients will be assisted in assessing Canadian markets, as well as exploring the possibility of joint ventures and other types of economic exchange. In turn, CESO will actively encourage Canadian companies to forge new business ties with clients able to compete in the global market



economy, thus fostering increased trade in the region.

Selection of future Europe projects will be based on a more focused group of sectors for each country. In Ukraine, the enterprise development in manufacturing and engineering sectors will be given priority.

Other critical sectors, particularly those with previously successful projects, will not be ruled out (environmental protection in Ukraine, for instance). In general, however, a closer alignment with Canadian interests and expertise will be favoured. For example, Canada is well-equipped to offer assistance in aspects of agricultural production, such as food processing and storage techniques, that can help Ukraine capitalized on its rich agricultural potential.

UKRAINIAN OPPORTUNITIES

Since the start of CESO's Europe program in 1990, over 600 organisations and companies from numerous sectors have received assistance in areas such as management training, marketing, business planning, quality-control and human resource development.

In Ukraine alone, CESO projects have assisted over 30 clients in the past two years, including many small businesses who have received management training and restructuring advice on all levels. As market reforms in this country are about to gain real momentum, particularly since President Kuchma reached agreement with the IMF, business advisory programs such as CESO's are more crucial than ever in supporting a difficult economic transformation.

With the Canadian government showing an increasing interest in fostering economic ties with Ukraine, CESO's move to induce business linkages to its program comes at an opportune moment. Claire Bonell, Vice-President of CESO International Services, explained that CESO's presence in Ukraine and other new market economies "will continue to bring significant benefits through advisory projects. At the same time, we want to enhance our program by actively encouraging economic cooperation with Canadian companies".

"Business Linkages" is not a new idea to CESO, given that advisors often return from projects with recommendations for corporate cooperation. For example, in

1994 a CESO adviser assisted Shans Ltd., a Ukrainian manufacturer of steam broiler surface elements, with budget planning and quality control. He also suggested a potential joint venture with an Ontario company, but lack of adequate back-up in the past has made laying the actual groundwork for such ventures extremely difficult.

As part of its overall strategy, CESO also plans to pursue more "reverse" projects, in which managers from client companies visit Canada. Enough clients in Europe have adequately stable management that CESO hopes to undertake as many as 25 reverse projects per year. Repeat assistance to the same clients, aimed to foster a more comprehensive and long-term impact on individual companies, in another area in which CESO plans to expand.

CESO's revised program strategy for

Europe was the chief topic at a November conference in Warsaw, Poland, that brought together CESO senior management, including president Dan Haggetry, Resident Representatives from 12 countries, delegates from the Bureau of Assistance to Central and Eastern Europe (CESO's sponsor for this program) as well as various trade commissioners.

For additional information on CESO and its activities, contact Kate Dillon or Wirek Gotowski at CESO in Toronto, Canada (416) 961-2376.

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INSTITUTE OF PUBLIC ADMINISTRATION AND LOCAL GOVERNMENT (IPALG) IN UKRAINE

Canada's Strategic Objectives in Ukraine

During the past several years, the Canadian Government, through the Department of Foreign Affairs and International Trade, has built an impressive technical assistance program designed to promote a stable transition to democracy and to market-based economies within the region. The Canadian Government recognized that Canada's relations with Ukraine are preeminent and that Ukraine is in need of significant resources and support.

With Canada's assistance, the Institute of Public Administration and Local Government (IPALG) was established by Presidential Decree on March 4, 1992. In recognition of the need for public administration institutions in Ukraine, IPALG received the full commitment of the highest level of the Ukrainian government. Established by the President, IPALG's

management structure is headed by a distinguished Board of Directors including five Western specialists. The Institute reports through the Cabinet of Ministers and its Canadian Director Dr. Bohdan Krawchenko, and has received the financial resources and facilities appropriate to fulfill its mandate, namely to address the challenge of public administration education and training in Ukraine.

In September 1992, the Institute accepted the first 100 candidates for a Master's of Public Administration (MPA) program. A primary goal of the MPA is to create a vital "policy elite" of graduates within the next five years. MPA graduates, as leaders of the new public service, will manage key government departments. The training received at IPALG will provide these individuals with the tools, knowledge and language proficiency necessary to skillfully guide Ukraine through the difficult transition period ahead.

As part of its mandate to create and develop a strong public service, IPALG intends to become a centre of expertise in the development and delivery of a series of short-term retraining programs to all levels of government in Ukraine. With the help of Western specialists, IPALG will undertake a central leadership role in this field.

Provision has also been made for the appointment of several Directors who will develop centres of expertise in Policy



CANADIAN CENTRE
FOR MANAGEMENT
DEVELOPMENT

CENTRE
CANADIEN DE
GESTION

EXECUTIVE PROGRAM II (UKRAINE)
October 16-28, 1994



Top Row:
Left to Right

Nadia Malyna, Claude Paradis, Bohdan Krawchenko,
Vasyl Kosenko, Valeriy Shulha, Sherhiy Hrinevetsky,
Yuriy Oseledets, Yevhen Zubov, Ivan Ratushniak, Viktor Vrublevsky, Leonid Sharaiev,
Viacheslav Pokhvalsky, Petro Nazymko, Vitaliy Soroka, Volodymyr Yatsuba,
Valeriy Voronin, Vasyl Kuibida, Yuriy Khotlubei, Volodymyr Lytvyn, Oleksandr Tarasenko,
Linda Pichette, Svitlana Sokolyk

Bottom Row:
Left to Right

Anatolii Khorishko, Oksana Bashuk Hepburn, Tetiana Kyselova, Valeriy Postovoitenko,
Suzana Stanik, Stewart Goodings, Volodymyr Ivashchenko.

On October 16, this delegation of 20 senior officials arrived in Canada in the second phase of an Executive Program for Ministers and Deputy Ministers, under the same umbrella project as the Women's Executive Program (*see story page 14*). They participated in a program of lectures, visits to their counterparts' departments and meetings with Canadian business leaders both in Ottawa and, together with President Kuchma's delegation, in Toronto. (*For 1st phase, see Monitor Vol. 2 #1.*)



CANADIAN CENTRE
FOR MANAGEMENT
DEVELOPMENT

CENTRE
CANADIEN DE
GESTION

UKRAINIAN WOMEN'S EXECUTIVE DEVELOPMENT PROGRAM
October 31 to November 11, 1994



Front Row Anik Allard, Mary Lorna Kibbee, Vasyl Kosenko, Suzanne Faure,
Joanne Charnetski

Back Row Olena Tkachenko, Oksana Yurchuk, Tetiana Mazurenko, Katrina Murray,
Liudmyla Hrebenuk, Tetiana Vlasenko, Luidmyla Moshkola, Tetiana Melesyk,
Svitlana Kulykova, Olha Shalenko

See story on page 14.

Research, Management Studies, Program and Curriculum Development, and Continuing Education satellite campuses for local government training.

IPALG is administered by the Canadian Bureau for International Education, which is the only Canadian organization dedicated primarily to international education and the promotion of the free movement of ideas and learners across national borders.

The goals of IPAL are to:

- a) develop leadership capacity and institutional competence of the Institute as a central force in the creation of an effective public service and,
- b) to establish a sustainable institution in the development, management and delivery of professional training programs in public administration to all levels of the Ukrainian government.

COMPONENTS OF IPALG

All components of the IPALG project are directly linked to the overall goal of strengthening the leadership capacity and

competence of the Institute. In particular, Canada provides many opportunities for academic training, practical work attachments, fellowships in public administration and internships in Canada. Study visits by IPALG instructors are organized to permit them to develop training methodologies, or to undertake research or a work attachment aimed at developing professional competence. For example, IPALG graduates are offered internships within a Canadian organization, and Institutional Sustainability Fellowships for future IPALG staff are individually designed, to arrive at the optimum blend of academic and practical work experience in the operations of an institute of public administration.

The current IPALG project is planned for up to three years (1993-1996) with the express purpose of providing a solid base for the future of the Institute.

Ukraine's Women Executives in Canada



A delegation of Ukrainian women from Kyiv's Institute of Public Administration and Local Government (IPALG) arrived in Canada on October 28, 1994 for a two-week visit to the Canadian Centre for Management Development (CCMD). Together, they set out to design an executive development program for the advancement of women managers in the Ukrainian public service.

The visit was part of a collaborative initiative between the governments of Canada and Ukraine through which Canada is assisting the new Ukrainian government in its efforts to address the shortage of women among the senior levels of its public service. On their return to Ukraine, these women are to deliver their country's first women's executive program in Kyiv early next year. They will continue to be supported by their Canadian partners in this project. It is expected that similar programs will be held in other Ukrainian cities.

There is now widespread recognition both that women can bring a valuable new perspective and different skill mix to the workplace, and at the same time that women face unique challenges in attempting to reach leadership positions. This has led the international community to promote the increased and sustained involvement of women in the government, in official and elected positions, and has resulted in the development of courses to help women cope with these changes and to maximize their leadership potential.

Motivation for this course arises from the current lack of women among the senior ranks of public servants in Ukraine and the absence of mechanisms to help redress the balance.

"While women make up about 50% of middle management in Ukraine, the percentages plummet to 3-4% at higher levels," delegates pointed out. "Even our new government reflects this reality: at last count, out of 450 Deputies elected to Parliament, only twelve were women. We have 6 women Deputy Ministers, but not one at the rank of Minister."

During their visit the Ukrainians met a variety of women leaders, including women Ambassadors currently serving in Ottawa. The development of women within the Ukrainian Public Services

(Continued on page 24)

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**POLITICAL AND
ECONOMIC RELATIONS**

**TORONTO MEETING
G-7 FINANCE
MINISTERS AND
BANKERS SUPPORT
UKRAINE'S REFORM**

Toronto, Feb. 3-4, 1995... A meeting of finance ministers and central bankers of the Group of Seven leading industrialized countries in Toronto resulted in the adoption of a communiqué summary promoting economic reform and growth in Ukraine. The question of Ukrainian reform will be a topic of discussion at an upcoming G-7 meeting in Washington culminating with the G-7 Summit in Halifax in June 1995.

The communiqué stated: "We also discussed the situation in Ukraine and welcomed the Government's successful implementation of bold and sweeping reforms since our last meeting. We expressed the hope that Ukraine and the IMF will continue to work closely to reach an agreement on a full standby program as rapidly as possible. In this regard, we reiterated that financial support will be critical to the success of Ukraine's reform effort.

Although Mexico dominated the agenda, the G-7 Ministers and governors also sent a stiff signal that Russia must keep reforms in track. Finance Minister Paul Martin said the group welcomed "the stated commitment of the Russian government to economic reform," but added that ministers were concerned over the latest rebound in inflation and the risk that the war in Chechnya would throw Russia's reform program off course.

**DETAILS OF WORLD
BANK'S \$500 MILLION
LOAN TO UKRAINE**

Washington, Dec. 22, 1994... The World Bank announced a \$500 million loan to Ukraine, praising policies favourable to private enterprise initiated by President Leonid Kuchma since he took office in July. "The Government under President Kuchma has demonstrated strong commitments to reform by implementing a series of difficult and far-reaching measures," the announcement said.

Under the bank's charter, loans are granted on economic and not political grounds. Kuchma's measures, the Bank said, include lifting most price controls, unifying currency exchange rates, eliminating most quotas on exports, reducing subsidies and setting up a safety net for people most in need.

Kuchma said in November that after Ukraine agreed to dismantle its nuclear weapons and to reform its economy, western countries must come through with more aid. The World Bank, with 178 member countries including Ukraine, is the world's biggest single source of aid.

Basil Kavalsky, the World Bank official in charge of lending to Ukraine, told Reuters the loan represented a vote of confidence in the government of President Leonid Kuchma. "We want to provide the financial backing for their reform efforts," he said.

The money will be used to buy needed imports and will be disbursed quickly, probably within the next six months.

Ukraine is also negotiating with the International Monetary Fund for a "stand-by loan" which could total as much as \$1.5 billion. Kavalsky said he expects the stand-by loan to be approved early next year.

As well the World Bank is considering a number of additional credits for Ukraine which include a \$30-\$50 million credit to promote domestic production of corn, sunflower and sugar beet seed, and a loan of about \$100 million to improve the hydro-electric power industry.

The \$500 million credit has a period of 17 years and has a variable interest rate, currently 7.1 per cent.

**KUCHMA SETS UP
COUNCIL FOR
ECONOMIC REFORM
IN UKRAINE**

Kyiv, Jan. 2, 1995... Ukrainian President Leonid Kuchma signed a decree establishing a Special Council for Economic Reform in Ukraine. The decree appointed First Vice-Prime Minister Viktor Pynzenyk as Council Chairman. The Council will coordinate the efforts of the Cabinet of Ministers, the National Bank and the Ministries in carrying out economic reforms in Ukraine.

**BUSINESS
& ENVIRONMENT**

**UKRAINE TO GET NEW
INTERNATIONAL
TELEPHONE CODE**

Ukrinform, Dec. 1994... Ukraine will be getting a new three digit international telephone code sometime this year.

According to Ukraine's Communications Minister Oleh Prozhevalsky, the new code, which will be 380, will come into use either in May or June 1995. Until that time, the code "7" shared by all former USSR republics will remain in use.

For now, no change is expected to be made to the order of dialing international telephone numbers from Ukraine.

With the introduction of the new code, Ukraine will be subject to regulations which stipulate that the total number of digits in an international number should not be more than 12.

To avoid this, a "zero" will be dropped from the Ukrainian city code. For example, to call Kyiv under the new system, Canadians will dial the overseas



code (011) followed by 380, then the city code minus "zero"(44 instead 044) and the local number.

G-7 Conference: Continued from page 6

- In addition, up to US\$1.5 billion could be available over a twelve-month period beginning in 1995 from the IMF under a Stand-by Arrangement, conditional on implementation of a commensurately strong and comprehensive reform program. Participants declared their intention to support Ukraine fully in the development of an SBA program, noting key policy requirements that such a step would imply.
- The World Bank and EBRD could commit in excess of US\$1.5 billion in project and adjustment loans over the next two years, provided that Ukraine fully respects the policy requirements of the prospective STF and SBA programs, and implements structural reforms supported by the World Bank.
- Additional resources would be available from the IMF if current IMF arrangements were altered to increase the STF amounts from 50% to 85% of quota, and an SDR agreement were reached.
- Participants looked forward to early convening by the World Bank of a Consultative Group meeting to complement the 1995 reform program and likely assistance from multilateral sources, and pledged their governments' continuing support in line with Ukraine's own efforts to improve its circumstances.

CONCLUSIONS

13. Ukrainian representatives were very encouraged by the concrete and highly visible support for their reform program that these elements of bilateral and multilateral assistance will provide, and they reaffirmed their government's commitment to reform.

14. The Conference concluded with general agreement that a solid foundation is taking shape for a genuine partnership between Ukraine and the international community, working together toward a fundamental economic transformation in Ukraine.

CANADA UNVEILS NEW DIRECTIONS IN FOREIGN POLICY

Foreign Affairs Minister André Ouellet and International Trade Minister Roy MacLaren tabled on February 7, 1995 the Government's response to recommendations made last November by the Special Joint Parliamentary Committee that reviewed Canada's Foreign Policy. The Government has decided to focus Canada's foreign policy on three key objectives: promoting prosperity and employment; protecting our security, within a stable global framework; and projecting Canadian values and culture.

Entitled *Canada in the World*, the foreign policy statement sets out the key principles and priorities governing the development assistance program and sharpens the focus to six priorities to guide its actions. These priorities are: basic human needs; women in development; infrastructure services; human rights; democracy and good governance; and the environment.

The government responded to the recommendation of the Special Joint Committee reviewing Foreign Policy that Canada continue development assistance to Central and Eastern Europe, including Ukraine. The Committee recommended that Canada maintain active programs of assistance to the countries of Central and Eastern Europe, and the former Soviet Union.

ENDORSEMENT OF JOINT COMMITTEE RECOMMENDATION TO SUPPORT EASTERN EUROPE

The Government agreed with the recommendation that Canada maintain active programs of assistance to Central and Eastern Europe (CEE) and the former Soviet Union (FSU), and that it ensure such programs are not funded at the expense of ODA priorities.

Canadian interests are directly engaged in ensuring the successful transformation of the region to democracy and market economies. The establishment of open and prosperous market economies in the region will generate important trade and investment opportunities for Canada, yielding direct benefits to the Canadian economy. Second, the integration of the region's economies into the global economic and trade systems will contribute to a more prosperous world economy and economic gains for all. Third, the promotion and maintenance of stability in the region contributes directly to enhanced international

security and stability.

The Canadian program utilizes a combination of programming approaches to ensure that Canada's assistance can respond to rapidly changing regional circumstances and Canadian interests. In the first and most common instance, potential Canadian partners initiate project proposals. In the second, the assistance program develops projects in response to Canadian government initiatives and requests from recipient governments. In both instances program delivery is based on partnership: projects are implemented by the Canadian private sector, business and trade associations, NGO's, academic institutions, ethnic communities and all levels of government. Federal funds are a catalyst: they leverage significant project contributions from Canadian and recipient-country partners. The result is a program significantly larger than federal funding alone could sustain.

To maximize effectiveness in changing conditions, the roles of DFAIT (which now administers the program, through the Bureau of Assistance for Central and Eastern Europe) and CIDA will be reorganized. Policy direction will remain with DFAIT while program delivery will be transferred to CIDA. This new function for CIDA corresponds well with the activities it is conducting elsewhere in the world. There will be close co-ordination between the two organizations over the continued development and execution of the program.

SPECIFIC DIRECTIONS FOR CENTRAL AND EASTERN EUROPE

According to Canada's new policy directions, the emergence of the new democracies of Central and Eastern Europe will continue to be a focus of concern for Canadians, many of whom have links to the region. The government will contribute to European security through membership in the European Bank for Reconstruction and Development and through the Program of Assistance to Central and Eastern Europe, a uniquely Canadian approach to helping build pluralism, free media, the rule of law, good governance, respect for human rights and free markets and environmentally sound practices in the new and fragile democracies that rose from the ruins of the Soviet empire.



UNESCO INAUGURATES CHORNOBYL CENTRES OF TRUST

In November 1994, UNESCO inaugurated five community centres to help victims of the Chornobyl disaster in Ukraine, Belarus and Russia cope with the largest civil nuclear catastrophe of all time.

UNESCO's Assistant Director-General for Science, Adnan Badran officially opened these "Centres of Trust". Inaugurations took place in Ukraine's Ivankiv and Borydyanka, in Strechyn and Pershay in Belarus and Uzlovaya in Russia. These centres are representative of the nine UNESCO Centres which are currently operating.

Psychologist Lubow Horich, a Canadian from Toronto, Ontario, supervises the centres from an office in Kyiv. "Even answering basic questions can be of great help to victims," stated Horich. "This is why the social workers staffing the centres call them 'Centres of Trust'."

When the Chornobyl nuclear power plant exploded 26 April 1986, it permanently changes the lives of about 4.9 million people living in Ukraine, Belarus and Russia. At first, the Soviet Union tackled this disaster alone, but quickly found it could not cope, so UNESCO and the three republics jointly established the Chornobyl Programme in 1991. They quickly recognized the need to help victims deal with the social and psychological trauma the disaster had caused. The original project was to build three pilot counselling centres. But the number quickly grew to nine, three in each of the affected countries.

UNESCO was responsible for carrying out the project with funding from the United Nations Children's Fund, German associations Diakonie, Caritas, Internationaler Hilfsfonds, as well as the Government of Canada. The total cost of the project so far exceeds US\$2 million.

The nine centres are either in areas where the victims were rehoused (Strechyn, Nikolskaya Sloboda, Borydyanka, Ivankiv, Slavutich) or are in or near contaminated zones (Persay, Bolhov, Uzlovaya). The Akasakovshina centre is next to a major clinic in a "clean" part of Belarus where 4,000 patients each year suffering from the effects of radiation come for tests lasting up to three weeks.

Each centre is staffed by three social workers and a manager. They also recruit day-care workers trained in psychology. Each of the three republics has a national coordinator who is a trained psychologist.

UKRAINE RECEIVES SECURITY ASSURANCES ON NPT SIGNING

When Ukraine signed the Non-Proliferation Treaty in Budapest in December 1994, it received security guarantees from the U.S., Russia and the United Kingdom. For the record, following is the text of this memorandum:

The United States of America, the Russian Federation, Ukraine, and the United Kingdom of Great Britain and Northern Ireland -- Welcoming the accession of Ukraine to the Treaty on the Non-Proliferation of Nuclear Weapons as non-nuclear weapon state; Taking into account the commitment of Ukraine to eliminate all nuclear weapons from its territory within a specified period of time; Noting the changes in the world wide security situation, including the end of the Cold War, which has brought about conditions for deep reductions in nuclear forces;

Confirm the following --

1. The United States of America, the Russian Federation, and the United Kingdom of Great Britain and Northern Ireland reaffirm their commitment to Ukraine, in accordance with the principles of the CSCE Final Act, to respect the independence and sovereignty and the existing borders of Ukraine.

2. The United States of America, the Russian Federation, and the United Kingdom of Great Britain and Northern Ireland reaffirm their obligation to refrain from the threat or use of force against the territorial integrity or political independence of Ukraine, and that none of their weapons will ever be used in Ukraine except in self-defence or otherwise in accordance with the Charter of the United Nations.

3. The United States of America, the Russian Federation, and the United Kingdom of Great Britain and Northern Ireland reaffirm their commitment to Ukraine, in accordance with the principles of the CSCE Final Act, to refrain from economic coercion

designed to subordinate to their own interest the exercise by Ukraine of the rights inherent in its sovereignty and thus to secure advantages of any kind.

4. The United States of America, the Russian Federation, and the United Kingdom of Great Britain and Northern Ireland reaffirm their commitment to seek immediate United Nations Security Council action to provide assistance to Ukraine, as a non-nuclear-weapon state party to the Treaty on the Non-Proliferation of Nuclear Weapons, if Ukraine should become a victim of an act of aggression or an object of a threat of aggression in which nuclear weapons are used.

5. The United States of America, the Russian Federation, and the United Kingdom of Great Britain and Northern Ireland reaffirm, in the case of Ukraine, their commitment not to use nuclear weapons against any non-nuclear-weapon state party to the Treaty on the Non-Proliferation of Nuclear Weapons, except in the case of an attack on themselves, their territory or dependent territories, their armed forces, or their allies, by such a state in association or alliance with a nuclear-weapon state.

6. The United States of America, the Russian Federation, Ukraine, and the United Kingdom of Great Britain and Northern Ireland will consult in the event a situation arises which raises a question concerning these commitments.

This Memorandum will come into effect upon signature.

Signed in four copies having equal validity in the English, Russian and Ukrainian languages.

Representatives of the United States of America, the Russian Federation, Ukraine, the United Kingdom of Great Britain and Northern Ireland.

UNESCO designed the programme, recruited and trained the staff and supervises the project. The French Agence d'Architecture des Gobelins donated their services to design three of the centres for UNESCO. Despite serious economic problems, the governments have paid for most of the construction costs. Ukraine

and Belarus have Chornobyl Ministries and levy a 12 percent tax on salaries to finance a victims' fund.

Presidential Visit Focuses on Business

The Ukrainian economy is driven by agriculture, manufacturing, resources, chemical production and shipbuilding industries. In 1993, Canadian firms did \$44 million worth of business with Ukraine, including \$28 million in exports and \$16 million in imports. Ukraine's special relationship with Canada and new high-level contacts provided Canadian firms with significant business and joint venture opportunities in Ukraine's vast industrial and consumer market.

CUCC CONFERENCE: DOING BUSINESS WITH UKRAINE

Toronto Royal York Hotel, Oct. 25, 1994

In co-operation with the Government of Canada, the Embassy of Ukraine in Canada, the Canadian Bureau for International Education and the Canadian Exporters' Association, the Canada-Ukraine Chamber of Commerce (CUCC) hosted a business conference in Toronto to coincide with President Kuchma's arrival in that city. After an update on the political and economic climate in Ukraine from John Coleman, Canadian Director of the European Bank for Reconstruction and Development in London, and Chrystia Freeland, Eastern Bureau Chief of the Financial Times (London), the participants heard a number of success stories from those who had already ventured into the Ukrainian market. Participants were later given the opportunity to meet one-on-one with members of a separate, but also very high-level Ukrainian delegation who had been attending a two-week conference in Ottawa at CCMD luncheon meeting jointly organized by the CUCC, the Canadian Club, and the Empire Club, the audience heard President Kuchma pointedly say that Canadian businesses are slow to respond to the significant business opportunities opening up in Ukraine.

"Ukraine is one of the largest European countries in terms of scientific and industrial potential. Why then is it virtually unknown in the business circles of Toronto?" he asked. "The volume of trade between Ukraine and Canada remains, frankly, insignificant".

While President Kuchma acknowledged that bureaucratic obstacles and regulatory hurdles tend to discourage foreign investors, he vowed to tackle that system and to have those barriers dismantled. In conclusion, he urged Canadian businesses to investigate Ukraine's advantages - extensive supplies of raw materials for manufacturing, scientific training, and its highly qualified workforce - and invited them to join those who are already in Ukraine.

ALBERTA-UKRAINE BUSINESS SEMINAR

Edmonton Hilton Hotel, Oct. 26, 1994

Racing through a packed agenda, His Excellency Leonid Kuchma, President of Ukraine, and several top officials made it their business to attend the Alberta-Ukraine Business Seminar.

Jointly organized by Western Economic Diversification Canada, Alberta Economic Development and Tourism, the Ukrainian Canadian Congress and the Edmonton Chamber of Commerce, the Seminar was a critical opportunity for local business representatives to explore areas of potential cooperation between Alberta and Ukraine. Several Alberta companies demonstrated their expertise, skills and products in industries such as high technology, telecommunications, natural resources and agriculture.

The Honourable Anne McLellan, Minister of Natural Resources, was the federal host of the delegation during its two-day stop in Edmonton. "Canada and Alberta's state-of-the-art resource technology and expertise is world-renowned and represents a multitude of potential business opportunities with Ukraine," she said. "The Government of Canada is pleased to help Alberta business expand its export base."

Referring to the economic reforms proposed by President Kuchma, Premier and Minister of Economic Development and Tourism Ralph Klein emphasized that "... reforms present an opportunity to strengthen existing partnerships between Alberta and Ukraine as well as develop new trade ties. Specifically, Alberta has been working with Ukraine on a land registry program, starting



President Kuchma addresses the Toronto Business Luncheon.

MONITOR



in Western Ukraine, through the UMA Engineering Group and supported by my department and the federal government."

President Kuchma expressed a great deal of interest in improving the investment climate for Alberta business, in particular the oil and gas sector, trying to break into Ukraine's market. Those in attendance, including the Hon. Ken Rostad, Minister of Federal and Intergovernmental Affairs, heard President Kuchma outline an aggressive economic policy that was music to business ears. According to Minister McLellan, the potential opportunities for collaboration and partnership between Alberta and Ukraine are just beginning to emerge. "By providing a hands-on networking session for the participants, it is hoped the Seminar will match Alberta products and services to Ukrainian needs and start the ball rolling in this new export frontier," she said.

CANADIAN-UKRAINIAN BUSINESS SYMPOSIUM

Winnipeg, Fort Gary Place, Oct. 27, 1994

The Winnipeg Symposium, hosted by Western Economic Diversification Canada (WD), brought Manitoba business people together with the Ukrainian delegation on the last leg of their Canadian tour. The common goal of developing business links, international trade, partnerships and joint ventures brought out key Manitoba sectors, including agriculture, health care, and aerospace to the day-long exchange.

"The fact that businesses, government agencies and industry organizations have joined forces to stage this symposium is evidence of the significant potential east-west trade links hold for economic growth, both for individual companies and regional economies," stated Hon. Lloyd Axworthy, Minister of Human Resources Development and Western Economic Diversification.

Western Economic Diversification is active in promoting Canadian businesses and technology abroad. In 1993, WD assisted 18 western Canadian businesses, representing several industry sectors, to participate in the Agrotech Ukraine trade mission. Many companies have since seized opportunities to build mutually beneficial relationships within Ukrainian markets. Western Canada, where two-thirds of Ukrainian-Canadians reside, is eager to enhance what is already a strong relationship between itself and Ukraine.

Held at the Grand Ballroom at Fort Garry Place, the symposium took place simultaneously with the G-7 Conference just a stone's throw away. Among the approximately 20 high-profile exhibitors were Atomic Energy of Canada Limited (AECL), the Canadian Grain Commission, Agri-tec Canada (a 17-company consortium), and the Manitoba Aerospace Association.



Western Diversification Minister
Lloyd Axworthy in Winnipeg.



An oil and gas industry roundtable with Alberta Premier
Ralph Klein (far right) and business leaders.



UKRAINE - ALBERTA OVERVIEW

Albertans have had a century-long relationship with Ukraine, dating from the first Ukrainian settlers to Canada in 1890. The Ukrainian community in Alberta and the Alberta Government were in the forefront in calling for Ukrainian independence, and urged Canada to be the first Western nation to recognize that independence in December 1991. Since then, Alberta contact with the new republic has developed in many areas, from business to health care, and agriculture to education.

COMMERCIAL RELATIONS

Alberta's visible exports with Ukraine are improving. (\$80,000 in the first half of 1994). Ukraine has a wide range of needs for Alberta goods, services and expertise, but lacks a convertible currency to pay for Alberta exports. However, it is hoped that the recent agreement reached with President Kuchma and International Monetary Fund for \$360 million will assist Ukraine in its planned reforms, thereby increasing the country's foreign cash flow.

In the midterm, sectors which are likely to be of interest to the Alberta business community include: tourism/hotels; telecommunications; the manufacture of products that can be sold into third markets for "hard currency"; infrastructure for which international financing may be made available; the oil and gas sector; agricultural equipment; and consulting services in land management public service management health care, agriculture, marketing, etc.

Since Ukraine's independence in August 1992, Alberta has led four trade missions into the country. Areas of interest include, the Torrens land survey system, natural gas and crude oil transmission, rural gasification, and enhanced methods of hydrocarbon recovery.

TORRENS LAND SURVEY SYSTEM

Essential to Ukraine's privatization policy is developing a system of land survey for land titles. The Torrens system is one of the most effective in the world and Alberta is an international leader in applying this technology. On October 24, 1994, UMA Engineering, in association with DMR Canada Ltd., Intergraph Canada Ltd., the Government of Alberta, and the Government of Canada, announced the introduction of a land registration and land information management system to Ukraine commencing immediately. The project will be located in the Kosiv Rayon, of the Ivano Frankivsk Oblast of Ukraine and is scheduled for completion in 1996.

ENERGY

The high pressure natural gas pipelines from Russia feed through Ukraine en route to Western Europe. Opportunities do exist for exploration in Western Ukraine near the Moldova border and the Black Sea. Existing producing fields in the Carpathian mountains and Dnieper-Donets Basin require extensive rehabilitation but are thought to be of marginal production value. There are several Alberta oil and gas companies presently active in Ukraine.

ENVIRONMENT

A Memorandum of Understanding was signed in October of 1992, with the Ukrainian Ministry of Environmental Protection to facilitate future cooperation between Ukraine and Alberta. Presently, the Ukrainians are interested in Alberta's environmental legislation and our structure of administration and regulation enforcement. Pending the availability of financing from international institutions, Ukraine will offer good opportunities in waste water treatment, hazardous waste disposal, sulphur removal from coal and bio-remediation of contaminated soils.

AGRICULTURE

To date, trade between Alberta and Ukraine has been limited. However, a number of opportunities exist in the area of consulting services related to crops, machinery, land management, labour management and marketing. Alberta's current priorities are in beef and dairy industry development services (consulting, training, etc.) and crop preservation and handling. Alberta assistance is best channelled toward areas such as grain storage and distribution, upgrading of agri-food processing technologies, establishment of

a marketing infrastructure, and curriculum development to meet Ukraine's immediate needs. Highlights of Alberta's activities include:

- a cooperation agreement signed by Alberta Agriculture and Ukraine in September 1991;
- projects by Grant MacEwan Community College involving farmer training, agricultural curriculum development farm management and small fruit production;
- a joint venture that Heritage Foods Ltd. has with the Sumy region to manufacture perogy equipment; and
- five previous Alberta government agricultural trade missions to Ukraine in the areas of cattle genetics, livestock management potatoes, and to attend the Agrotech'93 trade show in Kyiv.

HEALTH

Alberta Health has worked with the Bureau of Assistance for Central and Eastern Europe to provide support to Albertans in the private and public sectors who are involved with health related projects in Ukraine. A number of Alberta health professionals have travelled to Ukraine to provide assistance in specific health or medical areas and in developing health care systems, their activities include:

- the OSVITA Medical Project administered by the University of Alberta to provide medical care, consultations and teaching services for the treatment of mothers, fetus and children who were either exposed to, or are living in areas made radioactive by, the Chernobyl disaster;
- a conference "Canada's Strategy for Education of Health Professionals in Ukraine" was held on April 8-9, 1994 in Edmonton. This conference was designed to enhance the quality of Canada's health education assistance provided to Ukraine; and
- on September 13-14, 1994, a delegation of senior medical administrators from OSVITA visited Alberta. Their objective was to learn about Alberta's health care system and how it is administered.

EDUCATION

- Ukrainian has been offered as a language of instruction in 14 Alberta schools since 1974, and approximately 1300 students are currently enrolled in the bilingual program. In addition, over 550 Alberta students study Ukrainian in Alberta as a second language.
- In 1990, the Alberta-Ukraine School Twinning program was established, and presently, there are three Alberta schools twinned with schools in Ukraine.
- The Alberta Government provides two Alberta Ukrainian Centennial Commemorative Scholarships, one for a student from Ukraine to study in Alberta and the other for a student from Alberta to study in Ukraine.
- In 1992, Grant MacEwan Community College established an office in Kyiv to provide on-site administration for the college's projects in Ukraine. The office offers college services and expertise in the area of consultation and training as well as translation administration and office support services to Canadian individuals, organizations and companies.
- In 1976, the Canadian Institute of Ukrainian studies was founded at the University of Alberta as a centre for scholarly research and publication for Ukraine and Ukrainian Canadian studies. In addition to the OSVITA Medical Project, the University has an agreement of cooperation with the State University of Lviv.

CULTURE

- Contact between Ukraine and Alberta Community Development's Historic Sites and Archives Service, in particular the Ukrainian Cultural Heritage Village, date back to 1978.
- The Alberta Provincial Museum is presently involved with the Ukrainian Museum of Canada to develop the exhibition, "Treasures of Ukraine". If negotiations are successful, the exhibition will open in Edmonton in April 1996.
- Albertans of Ukrainian descent total approx. 250,000 individuals and constitute the third largest ethnic community in the province. There are over 200 Ukrainian community groups active in Alberta spanning cultural, linguistic, commercial and religious activities.



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UKRAINE'S TOP BANKER PREDICTS SUCCESSFUL 1995

On February 13, 1995 Ukraine's National Bank Governor, Viktor Yushchenko was interviewed by the Centre's Director Andrij Hluchowecky during his visit to Ottawa for meetings with the Bank of Canada and the Canadian Bank Note Company. Recognized as the Central Banker of the Month for the October 1994 issue of "Global Finance", Viktor Yushchenko is described as one of the toughest central bankers in the former Soviet Union. He is now one of a troika under Ukraine's president, Leonid Kuchma, pushing for radical market reforms. Together with Roman Shpek, minister of the economy and Ihor Mitiukov, Yushchenko's former deputy who became deputy prime minister responsible for banking and finance, Yushchenko is spearheading Ukraine's first stab at shock therapy. Over the next few months their program calls for substantial liberalization of prices and export restrictions, holding the budget deficit down to 10% of this year's GDP, jump-starting Ukraine's privatization program and unifying the exchange rate system.

• **Mr. Governor, can you provide us with a status report on your visit to Canada?**

Let me first thank you, on behalf of our National Bank of Ukraine delegation, for this opportunity to share views and experiences with the readers of the *Canada-Ukraine Monitor* of our most recent visit to your Nation's capital. Our objectives were, on the one hand, to complete our negotiations that we commenced with the Canadian side, and secondly, to outline major aims and tasks for our future work and cooperation.

Canada was one of the first countries to propose the printing of Ukraine's paper currency - the hryvnia, and the hryvnia project, as a result, was concluded previously, but there were formal issues that for a long period of time were not addressed, but today, it is with great pleasure that I can say that these problems have now been resolved, and we have come to an agreement with the President of the Canadian Bank Note Company to begin a new stage in our cooperation. As a result, CBN will join a group of three competitive and strong world-renowned banknote institutions to meet Ukraine's monetary needs for the next year or two. It is through such contacts and cooperation that Ukraine's needs will be fulfilled. I have great hope, that in the next few weeks, following a visit by the President of the Canadian Bank Note Company, Mr. Douglas Ahrends, to Ukraine, we will sign a protocol that will regulate our cooperation for the production of national passports, national security papers and national numismatic products.

Ukraine has also initiated a project named Treasures of Ukraine, which will highlight the history of sports, Ukraine's statehood and other major historical events, as well as major personalities of Ukraine - this will be a series of gold and silver numismatic coins, and by the way, we have come to an agreement with CBN to begin marketing a numismatic series of our paper hryvnia. One

of the issues that we discussed is that Ukraine wishes to enter the Canadian market with its own numismatic products and we are looking for a Canadian partner who could become the distributor of this product. I am pleased that the Canadian Bank Note Company has taken on the responsibility for distributing a numismatic series of banknotes. I believe that in the near future we will also find an agent to distribute the gold and silver coins in Canada and perhaps the United States.

• **During your visit to Ottawa, you also held meetings with your Canadian counterparts at the Bank of Canada. How successful were these discussions?**

We held discussions with the Bank of Canada and the Ministry of Finance, where we discovered that there exist traditional relationships and ties among central institutions, and in this particular case, with the Bank of Canada we had very pleasant and fruitful discussions with the President of the Bank of Canada, Mr. Thiessen. We are confident that in our present discussions, we will initiate, with the Department of Foreign Affairs (*Ed: Bureau of Assistance for Central and Eastern Europe*) a series of economic strategies which will be led by the Bank of Canada and other financial institutions to facilitate their entrance into the Ukrainian banking system. This is a series of projects that will prioritize the development of concrete steps in one of the major sectors of the banking system.

• **What type of cooperation exists between Canadian and Ukrainian banking institutions for commercial banking transactions?**

Today, I must say that this type of banking cooperation between banking institutions of our two countries remains the most developed. More than 30 Ukrainian commercial banks have transaction accounts in Canadian commercial banks. We can say that on the level of banking cooperation there are no major problems in bank transactions in existence today, but, without a doubt, this system of banking cooperation needs to be strengthened with the signing of a banking agreement between the Bank of Canada and the National Bank of Ukraine which will regulate the relations between the commercial banks.

• **What is your prognosis for Ukraine's economy in 1995?**

As the head of the National Bank of Ukraine, I have never felt more closer to the economic activities and reform that are presently being promoted in Ukraine. The problems are complex and difficult, but I must reassure you that the individuals leading this reform understanding the weight of their responsibilities and in the past five months, I can say that there has been much progress made in Ukraine. We have a liberal market, a free-market currency exchange. The President of Ukraine, his Cabinet and a series of influential parliamentarians have stressed that Ukraine will introduce a deficit-cutting budget in order to stabilize the currency and economy on the road towards market reform. The year 1995 will be one of success for our economy. Without a stable national currency we cannot have a strong economy, so we will conduct a strict monetary policy. The karbovanets has entered a period of short-term stabilization and we see no problem in the medium term. I want our Ukrainian Canadian community to know that progress and reform is underway, and that it makes me proud that we have taken Ukraine on the road towards economic and political reform.



Ukraine's National Bank Chairman in Ottawa.
L-r: Orest Nowakiwsky, Vice Pres., CBN, Ukrainian Bank Chairman
Viktor Yushchenko, and Douglas Ahrends, President and CEO of
Canadian Bank Note Co.

ONTARIO HYDRO TO HELP UKRAINE BUILD NUCLEAR FUEL STORAGE CONTAINERS

Ontario Hydro will adapt and transfer its technology to manufacture nuclear fuel dry storage containers to Ukraine in a project approved by the Canadian Government.

The technology transfer arrangements were reached following negotiations between Ontario Hydro International Inc. (OHII -- the international marketing subsidiary of Ontario Hydro) and the Ukrainian and Canadian governments.

Ukraine will build containers using the High Density Concrete (HDC) technology developed by Ontario Hydro Nuclear to store nuclear waste at the Chornobyl and Rivno nuclear stations. The HDC containers have been licensed by the Atomic Energy Control Board for use in 1995 at the Pickering nuclear station near Toronto.

"The project allows Hydro to assist Ukraine in establishing a higher level of protection for the public and environment by

improving its methods and equipment used in handling highly radioactive used fuel," explained Ian London, OHII President and CEO. "It also will provide about eight person-years of work for Hydro staff."

Adaptation and transfer of the HDC technology will occur in two stages:

- The Federal Department of Foreign Affairs will contribute \$2.9 million to develop used fuel container designs for Chornobyl and Rivno based on Hydro's design.

- Ukraine's nuclear operator will then pay Hydro a licensing fee for the right to manufacture an unlimited number of containers. Up to 550 containers would be needed at the two Ukrainian nuclear stations. OHII will earn approximately \$6.5 million at the completion of the 38 month project.

Hydro staff from the Bruce Nuclear Power Development will prepare a preliminary

technical study that includes physical examination of the stations and a lifecycle analysis of costs associated with use of HDC containers.

Other Hydro work includes design, engineering, testing, production of prototypes, safety analysis, preparation of Safety Analysis Reports, licensing support, training and quality assurance, and consulting services associated with the fabrication and fuel loading of the first five HDC containers. Hydro staff would have no on-site responsibility for project management.

A bilateral agreement between the governments of Canada and Ukraine is currently being developed to address the legal issues related to third party liability.

Additional laboratory testing and analysis could be provided by OH Technologies, a research subsidiary of Ontario Hydro.

The project is part of Canada's ongoing program of technical assistance to Ukraine which is designed to support the transition to a market-based economy, promote democratic development and increase Canadian trade and investment links with Ukraine. To date, 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.



UKRAINIAN WORLD CONGRESS

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AUCC:

Reform Through Knowledge: A Canada-Ukraine Cooperation Program

Reform Through Knowledge, a three year program managed by the Association of Universities and Colleges of Canada for the Department of Human Resources Development, is intended to support economic and democratic reform in Ukraine by targeting technical assistance to Ukraine's system of higher education. The program was initiated on February 1, 1995 and will terminate on September 30, 1997.

The program will complement existing Canadian technical assistance programs for Ukraine by providing placements of Canadian specialists in the region upon invitation from Ukrainian institutions.

As a result of fundamental changes to educational funding structures in Ukraine and due to the need for curriculum reform to conform to the needs of a democratic society and a market economy, the Ukrainian system of higher education is in need of institutional strengthening. The program will enable Canadian academics and professionals with acknowledged expertise in their fields to receive short-term placements within the Ministry of Education and/or at universities throughout Ukraine advising on educational policy, administrative reform, and the introduction of new curricula.

Canadian participants will be chosen through a competitive process that will focus on their relevant expertise, the validity of their projects corresponding to priorities in the reform of Ukrainian higher education today, and their established links to Ukrainian host institutions in the educational sector. A strong level of commitment will be expected to be demonstrated by both sides to realization of the projects.

Placements within Ukraine will typically be for a two-month period.

The main placements will be at the relevant Ministry or at academic institutions, primarily universities throughout Ukraine. Regional diversity will be emphasized. Secondary placements may be, according to the requirements of the project, at agencies in the public or private sectors, or at non-governmental organizations.

Reform Through Knowledge will focus on five key sectors important to reform of the higher education system of Ukraine and, by extension, to the country's broader strategy of social and economic reform:

- a. University Administration
- b. Higher Education Policy
- c. Law School Curricula
- d. Business and Management Curricula
- e. Environmental Curricula

There will be six placements per sector, that is, a total of thirty participants per year. Geographical diversity will be sought for institutional placements in Ukraine. Women's issues will be emphasized, as will the participation of women in the program.

The five sectors chosen for this new technical assistance program focus on areas that have been repeatedly identified during meetings between AUCC representatives, the Ministry of Education of Ukraine, and Ukrainian university representatives as areas crucial to educational reform.

The first two sectors, University Administration and Higher Education Policy, will target policy-making and institutional reform, while the last three sectors will focus on the introduction of new curricula and faculties within the universities to facilitate reform central to the challenges facing Ukraine today: Law School Curricula, Business/-Management Curricula, and Environmental Curricula.

WOMEN'S EXECUTIVES

(Continued from page 14)

emerged from the original Canadian Bureau for International Education (CBIE) program with the Canadian Centre of Management Development (CCMD), in a mission report for Canadian/Ukrainian cooperation.

The most significant effects of this course will be revealed in the longer term, if more women who complete such programs succeed in reaching the upper echelons of the Ukrainian Public Service. While Ole Ingstrup, the Principal of CCMD, was pleased to note that two of the Deputy Ministers who took part last year in the first phase of that parallel program have since been promoted to leading position in the new Government, the Ukrainian women were cautious about their prospects at home. "Here we are in ideal circumstances; the realities of our lives are harsh." In the long term, the program organizers are confident of the potential contribution of these women as leaders, bringing new perspective and different strengths to the benefit of the government of Ukraine and the society as a whole.

The program is a component of a three-year \$4.5 million project to support IPALG. It complements the Executive Development Program for Ministers and Deputy Ministers, which has also been developed jointly by IPALG and CCMD. Both projects, which are managed by the Canadian Bureau for International Education, receive funding from Foreign Affairs and International Trade Canada under the Federal Governments' \$30 million technical cooperation agreement with Ukraine.

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Montreal-based firm urges government support

PHARMASCIENCE BRINGS CANADIAN KNOW-HOW TO UKRAINE

Excerpts from an address by Morris Goodman, Director of Business Development (Eastern Europe), Pharmascience Inc., to the Canada-Ukraine Chamber of Commerce Business Conference, Toronto, October 25, 1994

Pharmascience is a Montreal-based pharmaceutical company founded in 1983 which has been active in the development, manufacturing and marketing of quality, low cost pharmaceutical products for the international health care community. Producing over 350 different pharmaceutical preparations and distributing these products in well over 20 different countries, they are the third largest generic pharmaceutical manufacturer in Canada.

By early 1992, representatives of Pharmascience were busy visiting almost all of the twenty pharmaceutical factories in Ukraine. These experts are convinced that Ukraine has the potential to be the breadbasket for pharmaceuticals to the entire CIS. According to their analysis, Ukraine is capable of satisfying approximately 75-80% of its domestic needs for pharmaceuticals using current production facilities and important drug substances. However, Ukraine is currently importing 60-70% of its pharmaceutical needs in finished dosage forms.

There is significant potential to leverage Ukraine's strength and skill in transferring raw materials into finished dosage forms using their current infrastructure. The direct result of this would be to reduce the Ukraine's need to import finished pharmaceuticals translating into higher employment levels in this sector and reduction on demands for hard currency. The ultimate goal is to help transform Ukraine into a low cost producer of high quality pharmaceuticals for the world market.

Several Ukrainian pharmaceutical plants have been selected for long-term



partnerships. They currently produce tablets, injectables, solutions and syrups all in vital need by the Ukrainian Public Health Ministry. Under Canadian direction, Ukrainian plants have also begun producing pharmaceuticals for export to the CIS countries. Pharmascience supplies the formulation technology, drug substances, raw materials, packaging components and printed materials. The manufacturing is provided by the Ukrainian partner. Every product produced must satisfy both the Canadian and Ukrainian regulatory standards.

Ukraine does need to update its manufacturing equipment, but the vast majority of pharmaceuticals can be produced in Ukraine using equipment currently in possession of the Ukrainian pharmaceutical industry.

In order to limit inventory exposure, Pharmascience policy is to produce only small quantity batches. To limit financing exposure, they prefer to ship frequent

small quantities rather than large shipments.

Like other investors, Pharmascience strongly encourages the Canadian government to pass legislation to protect Canadian investments in Ukraine. To further facilitate investment in Ukraine, the EDC must include Ukraine as an insurable country under its export and foreign direct investment program.

Pharmascience is currently lobbying Canadian product registrations with the Health Protection Branch of Health and Welfare Canada to gain automatic registration in Ukraine. The result of not providing for automatic product registration is that it produces cumbersome and unnecessary bureaucracy while delaying product introduction.



Pharmascience delegation meets with Canadian Embassy staff in Kyiv. L-r: Vladimir Vereta, Commercial Officer (Emb); Arthur Lebresque, Counselor (Emb); Dr. Paul Melekhov, Dir.-Ops, Eastern Europe (Pharm); George Grushchenko, Commercial Officer (Emb); Dr. Olga Naumenko, Medical Consultant, Kyiv (Pharmascience-Ukraine); Val Gorbatyuck, Reg. Sales Mgr (Pharm).

The black-and-white version of the **Commemorative Photo Journal** of President Kuchma's State Visit to Canada is included on the following pages for all our readers...

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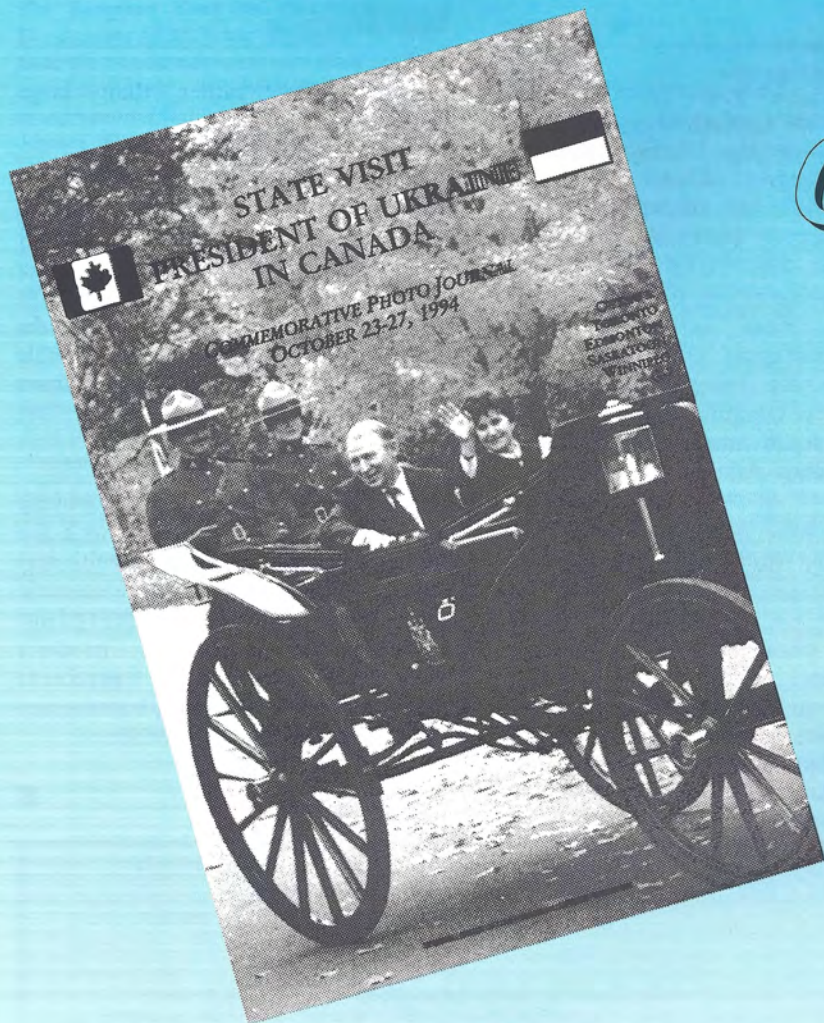
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HIGHLIGHTS OF PRESIDENT KUCHMA'S VISIT TO THE UNITED STATES

Washington... President Bill Clinton and Ukrainian President Leonid Kuchma concluded formal talks in Washington on November 22, 1994, capped with a series of agreements leading to closer cooperation on issues of economic reform, denuclearization and aerospace. Clinton told a nationally televised news conference that he very much enjoyed "getting to know" the Ukrainian leader and praised his leadership in winning support from Ukraine's Parliament to join the Nuclear Non-Proliferation Treaty and to dismantle its nuclear arsenal. Clinton pledged some \$900 million in aid for Ukraine. He said Ukraine's decision will permit the United States, Russia and the United Kingdom to extend formal security assurances to Ukraine which took place during the Conference on Security and Cooperation in Europe in Budapest on December 5. Clinton also praised Ukraine's decision to join the Partnership for Peace, an arm of NATO, and promised to help defray some of Ukraine's costs of joint military training.

The economic reforms Kuchma initiated "put Ukraine on the right path toward a future of increasing prosperity and economic integration with the Western market economies," Clinton said. "At this moment in our history we have an extraordinary opportunity to improve the lives of all of our people by working more closely together and trading together more," he declared. "Since his election just five months ago, President Kuchma has bravely and squarely confronted

the two greatest challenges facing Ukraine -- economic reform and the nuclear question,"

Clinton said, Ukraine "has reclaimed its independence and its place as a pivotal state



Clinton said. "He has taken hard, practical steps required to secure a more peaceful and prosperous future for his people." In welcoming ceremonies on the south lawn, Clinton told the Ukrainian leader, "We congratulate you and all Ukrainians for your remarkable achievement in regaining your freedom. America will stand with you to support your territorial independence and your reforms." After enduring "dictators and famine" to create an independent nation,

in Europe. The opportunities for both our countries will multiply."

In the evening, Clinton and his wife Hillary hosted a state dinner in honour of Kuchma and his wife. The guest list was studded with members of the cabinet, Congress and Americans of Ukrainian heritage. There was also the customary smattering of guests from the entertainment world: singer Michael Bolton (whose grandparents are from Kyiv), Kathleen Turner and Ukrainian-American actor Jack Palance. In his dinner remarks, Kuchma invited the Clintons to visit Ukraine in the near future. ■



PHOTOS: K. LEW/UKRAINIAN WEEKLY



OVERVIEW

EBRD ACTIVITIES IN UKRAINE

The European Bank for Reconstruction and Development (EBRD) was established in 1991 to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiative in the Central and Eastern European countries committed to and applying the principles of multiparty democracy, pluralism and market economies. The EBRD seeks to help its countries of operations to implement structural and sectoral economic reforms, including demonopolization, decentralization and privatization, taking into account the particular needs of countries at different stages of transition. One of the primary conditions for achieving this is to build the necessary institutional infrastructure and an enabling business environment in the region.

Following are the highlights of an address to the CUCC Business Conference in Toronto, Oct. 25, 1994, by John Coleman, EBRD Director for Canada, London: "Ukraine: The Sleeping Giant Awakens."

EBRD STRATEGY

- Support for private commercial banking sector, to provide source of term lending for private companies and normal, commercial export intermediation facilities and credit;
- Early equity and term financing for private entrepreneurs and newly privatized small and medium companies;
- Technical co-operation to assist public sector clients in developing investment proposals, and to strengthen local capabilities in financial planning, international procurement and project management;
- Loan financing for infrastructure, in parallel with clear sectoral reform commitments from Government; and
- Sectoral priorities: financial sector, small enterprises, agriculture, energy and manufacturing.

Ukraine Fund.

Venture capital fund: \$11.8 million, EBRD investment \$5.1 million, alongside US partners and IFC. Nine investments approved, all successful so far. Strong project pipeline. Administered locally by joint expatriate/Ukrainian team. Operations Manager and two staff killed recently in a car accident. The Bank is working with the Fund and other sponsors to rebuild the management structure.

Borispol Airport Rehabilitation.

Terminal upgrades to improve immigration formalities, and handling of passengers and luggage. Total cost \$14.8 million, EBRD financing \$3.5 million.

ITUR Telecommunications Project.

Construction of a fibre optic cable linking Ukraine and Russia to Western Europe. Bank financing covers the Ukrainian share of the project. Total cost \$62.25 million, EBRD financing \$53.12 million. This project will significantly improve Ukraine's international telecommunications.

1994 target.

EBRD commitments of approximately ECU 100 million.

PROPOSALS BEING DEVELOPED

Approximately 20 proposals presently under active consideration, most involving, joint ventures between local and western partners. Strong focus on development of export sectors into (mostly) new markets in western Europe and the Mediterranean, and on adding value to existing manufacturing activities:

Financial Sector:

- A new bank to provide range of term financing facilities for private enterprises;
- Line of credit for small and medium private enterprises, in parallel with programme of institutional strengthening of selected private sector banks.

- An additional venture capital fund;
- Improved facilities for export intermediation (a key constraint to exporting private enterprises).

Privatization and Restructuring:

- Development of a fund to support newly privatized small and medium private enterprises (at an early stage). Restructuring of Ukrichflot, following privatization, and Ukraine International Airlines, privatization assistance to Blasco.

Manufacturing:

- Upgrading of production lines in range of industries, from shipbuilding, building materials, ceramics, glass and plastics, to the production of agricultural machinery and the automotive sector, some involving conversion of former military industries. Focus is on assisting joint ventures to exploit export niches where Ukraine enjoys comparative advantage and will likely achieve long-term cost competitiveness;
- Production increases, linked to new export markets, in ceramics, plastics and other manufacturing industries.

Natural Resources:

- Development of domestic oil and gas resources, and selective upgrading of refining facilities.

Power & Energy Utilities:

- Rehabilitation of gas transit pipeline system, in parallel with restructuring gas utility;
- Introduction of modern thermal generation technology in the power sector;

- Assistance to Government in design of project for Chernobyl replacement sarcophagus.

Agriculture:

- Support for establishment of new wholesale markets;
- "Replacing the state" -- private provision of modern agricultural inputs, improved storage, distribution and marketing;
- Upgrading of a variety of agricultural processing facilities.

Tourism and Property:

- Real estate, targeting the needs of the foreign business community and tourism.

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FOR THE RECORD

KEY ADDRESSES DURING PRESIDENT KUCHMA'S VISIT TO CANADA

G-7 Conference on Economic Transformation in Ukraine, Winnipeg, October 27, 1994

**Hon. André Ouellet
Minister of Foreign Affairs**

I am pleased to welcome you to the opening of the Conference on Partnership for Economic Transformation in Ukraine. We share a common goal: a prosperous and democratic Ukraine. It is my hope that the Conference will bring about a greater level of understanding and commitment among those present to the transformation of the Ukrainian economy. The economic and financial linkages that continue to exist with its neighbours make the health of Ukraine's economy essential to the economic health of the region as a whole.

Ukraine occupies a special place in our government's foreign policy. The one million Canadians of Ukrainian origin have left their mark in our country's young history, indeed in all sectors of Canadian life. Canada and Ukraine possess a fantastic advantage, in that we can build on those human ties to foster a fruitful, prosperous relationship between our two countries. I wish to thank the Canadian Ukrainian community in Canada for their efforts in helping us prepare for your visit Mr. President.

When I visited Ukraine last March, I saw first hand the enormous challenges facing that country. But I also witnessed the fantastic will and enthusiasm of Ukrainians for building a free market economy and democratic institutions. Most importantly perhaps, I became even more aware that the international community could not let Ukraine face these enormous tasks alone.

Canada is committed to helping facilitate the integration of Ukraine into the international community. Canada was pleased that its G-7 partners endorsed our proposal to organize this conference. We all agree that stability and independence in Ukraine, as anywhere, must rest on the foundation of economic prosperity.

The Canadian government has sought to provide some of the tools for building a unique partnership between our two countries. Indeed, the political, economic and military cooperation

agreements we signed this week establish a framework for this partnership.

The Foreign Investment Protection Agreement I signed with Foreign Minister Udovenko and the Economic Cooperation Agreement I signed with Foreign Economic Relations Minister Osyka on Monday in Ottawa, are part of our assistance to create a proper environment for business. The Memorandum of Understanding on Technical Assistance I signed with Minister Udovenko is our contribution to assisting Ukraine in its transition towards a democratic society.

Our common goal, all of us here today, is to achieve the full integration of Ukraine into the world economy. The main actors in this partnership will ultimately not be governments, but private entrepreneurs and business people who will build economic ties for mutual advantage. It is these individuals who will realize Ukraine's potential to become a significant player in the international economy, and we must therefore take the appropriate measures to help them.

The role of governments is to establish the framework in which private investment and trade can flourish. This is the endeavour which President Kuchma has taken on with his presentation of a comprehensive economic reform plan earlier this month. I think I can speak for all friends of Ukraine when I congratulate President Kuchma on taking this first important step on the road to economic transformation and growth.

It will not be an easy road. There will be opposition to reforms. However, strength can be drawn from the experiences of other reforming economies in the region. An early and sustained commitment to reforms pays off, in the form of domestic economic growth, including trade and foreign investment.

The international community is ready to assist Ukraine in this courageous effort. International assistance will be necessary, particularly in the early stages, if the reform program is to be viable. Our partnership with Ukraine will be based on the principle of "help for self-help". Our assistance to Ukraine can only be effective if the Ukrainian government takes the necessary steps to put in place the framework in which a market economy can develop.

President Kuchma has committed his government to decisive action on economic

reform with the signing of an agreement with the International Monetary Fund. This will permit Ukraine access to an initial amount of IMF resources. I am pleased to announce that to support the program for the remainder of this year, Canada has agreed to provide \$34 million dollars in credits to Ukraine. The United States government will provide \$70 million US dollars, and other governments are expected to provide credits or, as in the case of Russia and Turkmenistan, defer payments owed to them by Ukraine.

The first task of today's conference will be to discuss the measures which are necessary to implement the economic reform program over the coming year. The Ukrainian government has outlined these in their memorandum to the International Monetary Fund. It will be most valuable for our officials to be able to hear directly from the Ukrainian government as to how they plan to proceed with the implementation of the reform measures.

Full implementation of the economic policy measures outlined in the IMF agreement should help to

create the initial conditions for growth in investment, both domestic and foreign. But this is not enough to assure the economic future of Ukraine. Still broader and deeper reform measures are required if a market economy is to grow and flourish.



**"Canada is committed to helping
facilitate the integration of Ukraine
into the international community."**

What is missing is the appropriate institutional and legal framework - a framework which in Western economies has been developed over the centuries. Here again is an area where Western Governments are well suited to assist Ukraine. The challenge faced by the Ukrainian government is to step forward decisively to create the environment in which the market mechanism can work to the benefit of all Ukrainians.



By way of example, the Ukrainian public service has a vital role to play in developing the policies and legislation that will enable a market economy to function properly. Strengthening the public service has been a priority for Canada's technical assistance program with Ukraine. We are providing over 4 million dollars to the Institute of Public Administration in Kyiv for public service training. Canadian experts have provided training in public administration and in critical areas for policy development: finance, economics and social policy. I was pleased to review the progress made on this project with the Ukrainian Minister of Cabinet Pustovoitenko and to see what future areas of assistance Canada could provide.

"The vision we seek for Ukraine's economic future is that of a thriving market economy and an active trading partner both regionally and internationally."

International trade also requires an appropriate institutional framework that would enable Ukraine to become fully integrated into the world economy. The Ukrainian government has already taken an important step in this direction by initiating the process of accession to the World Trade Organization. We welcome their application and Canada is prepared to help facilitate accession to the WTO, such as providing trade policy training to Ukrainian public servants.

The support and guidance of the World Bank on privatization policies, social protection, financial sector reform and the development of the institutional framework for a market economy will be critical. Our officials are here to listen to the Ukrainian government's plans and to offer their views based on experiences with policy reforms in some of these very same areas.

We also hope to share perspectives with the Ukrainian government on key sectoral policies - energy and agriculture come to mind. Energy sector reform will be critical in Ukraine to reduce dependency on energy imports and on higher risk nuclear facilities. We are pleased to be able to say that Canada, its G-7 partners and Ukraine are already working together on the task of raising nuclear safety levels and finding longer term energy solutions. Both the World Bank and the European Bank for Reconstruction and Development are playing critical roles in this process.

The second objective of today's conference is to focus specifically on the issue of investment promotion and private market development. The main source of economic recovery in Ukraine will be private investment, particularly in small and medium-sized enterprises. Foreign investment, including Canadian investment, is already growing in Ukraine, but only slowly because of the unstable business climate. The

European Bank for Reconstruction and Development is already providing financing to small and medium enterprises in Ukraine. In the sessions today, EBRD officials will be providing their views on the key structural reform measures which are required for such enterprises to grow. An exchange of views at this conference will no doubt allow the process to advance more quickly.

The international community will remain fully engaged in supporting the implementation of Ukraine's economic reform program. Dialogue is essential for good partnership. Dialogue builds trust and understanding. Today's Conference is an opportunity to carry forward the dialogue between governments that has begun under the auspices of the international financial institutions, and which will continue under their auspices.

The vision we seek for Ukraine's economic future is that of a thriving market economy and an active trading partner both regionally and internationally. I know President Kuchma shares that vision. This conference offers the opportunity to pursue the vision together as partners. I look forward to hearing the results of your work.

Hon. Lloyd Axworthy, Minister of Human Resources Development

This is a special honour for me (to welcome you to Winnipeg) as a Western Canadian because of the historic link which exists between Western Canada and Ukraine.

On a personal note, I had the opportunity a few years ago to get a glimpse of the magnitude of the challenges facing Ukraine when I travelled to Ukraine as part of an official Canadian delegation seeking to get a first hand look at the situation there. Even then, it was clear that economic transformation would be difficult - and possibly painful. But also that tremendous opportunities and enthusiasm exist.

This link was first formed with the settling of Ukrainians on farms in such places as Sarto, Zhoda and Vita, in the 19th Century.

Since that time, the influence of their descendants and those of successive waves of immigrants from Ukraine has extended to literally every aspect of Canadian life including the arts, business, government, and science and technology.

Clearly, Canadians - especially those of us in Western Canada - owe a great debt to Ukraine for the role played by its sons and daughters in helping Canada to become the economically powerful country it is today. The tremendous enthusiasm shown by Manitoba in preparation for this conference is testimony to the special relationship our countries share.

This is a historic time, not only for Ukraine, but for the entire global trading community.

Globalization and the introduction of new technologies have initiated a process of change involving all aspects of life on this planet - economic change, political change, and social change.

This change has brought about dramatic improvements. In the lives of some, but has also resulted in real difficulty in adjusting to the changing landscape for many others.

It is clear that Ukraine faces tremendous challenges resulting from recent events in its history. Moreover, its future challenges may be even more daunting as it seeks to reform its political institutions and economic policies.

Still, the indomitable spirit of the Ukrainian people teamed with support from groups like the G-7 nations and other supporting countries and IFIS can make this process of transformation a success.

The pressures necessitating economic and political transformation are by no means restricted to Ukraine, but are characteristic of global trends.

We all live in a radically changed world characterized by the seemingly contradictory forces of globalism and fragmentation.

New communications and information technology, the world-wide movement of capital, multinational production systems, and degradation of the world's ecosystems are part of this process of globalism.

At the same time, these developments now operate beyond the control of individual states.

And these forces are creating a world where states are more interdependent, where their citizens are demanding a greater say in their own lives, where the traditional separation between government and non-governmental institutions is breaking down, and where new communications technologies make discrete boundaries between local, national and international divisions of power less relevant.

And this means we must find new approaches to governance and new ways of organizing our economies and political systems. That is why multilateral conferences to deal with specific issues is an essential part to finding solutions that work and last.

Indeed, even my own country, Canada, is finding the process of coping with global economic change a daunting one.

For instance, we in Canada - are finding it a challenge to reform our social security system to assure the training and employment needs of our people while working with strict financial constraints. But, as Canada, Ukraine and all the countries represented here know social and economic reforms must be done in tandem as the skills and resources of our work forces are inextricably linked to the prosperity of our economies. I have noted that one of the conference workshops deals with social reform - I will watch with interest the initiatives that will be undertaken.

From my own experience, I can assure you that this is not an easy task and I sympathize with my Ukrainian counterparts as they seek to accomplish similar goals.



Ukraine is an important nation with a long and noble history. However, its present and future are equally important, for its success or failure in assuring economic prosperity and political stability for its citizens will have important consequences for all of its neighbours and for all countries represented here as well.

Clearly, its fate and ours are linked and we must make every effort to assure the success of its current economic restructuring and renewal.

**Michel Camdessus, Managing Director,
International Monetary Fund**

Mr. Chairman, it is a great pleasure for me to participate in this conference, and I am particularly delighted to share the platform with President Kuchma. I should like to take this opportunity to pay tribute to the President for his courageous and determined leadership in embarking on such a far-reaching program of economic transformation. As he has said, some key elements of that program were implemented earlier this week. Let me also salute the members of his economic policy team, whom I am pleased to see assembled here today, for their skilful and painstaking work.

Yesterday, the IMF's Executive Board reviewed the program formulated by the Government of Ukraine and agreed to support it by making available to the Government a first drawing of US\$365 million under the Systematic Transformation Facility. At the risk of being indiscreet, I can tell you that the Fund's Executive Directors were unanimous in their welcome of and praise for the program. Rightly so: it is a program that fully deserves the support of the international community.

There are four features of the Government's approach that I should like to emphasize this morning:

- first, it promises a fundamental break with the past;
- second, it is anchored on a strong, comprehensive, and coherent program;
- third, we cannot lose sight of the fact that this program is but a first step;
- and fourth, the new approach will provide the breakthrough we have all been looking for only if it is implemented steadfastly, and only if it is supported by strong cooperation – especially financial assistance – from the international community: only, in other words, if there is genuine international partnership. This is why this conference is so important.

First, the break with the past. As we all know, the economic road that Ukraine has followed since becoming independent has been a bumpy one indeed.

The country has suffered great economic pain, for little gain; and the reason is largely that there have been gross shortcomings of economic

policy. The macro-economy has been allowed to get badly out of balance, and reforms have been piecemeal and short-lived. Let me cite a few examples. A national currency was introduced in 1992 to provide autonomy in monetary decisions, only to be followed a few months later by a massive expansion of credit to loss-making enterprises. Domestic prices were initially liberalized in 1992 but – faced with a surge in inflation – the Government reversed its policies and re-introduced price controls one year later. The system of multiple exchange rates was unified in May 1993 and a market-determined floating exchange rate was introduced; but the Government reversed its decision four months later and re-introduced a multiple exchange rate system. With policies like these, it is not surprising that the economy moved backward, not forward.

The program on which the Government has now embarked signals a change in its approach to economic management – away from administrative mechanisms and lax financial policies, and toward market mechanisms and tight financial discipline. Let me again mention a few examples – this time, examples of good policies. In the area of price liberalization, the Gov't last weekend allowed most prices to be market-determined, reducing controls and regulations on profit margins substantially. In the area of exchange rate policy, it has reunified the exchange rate and reinstated a high degree of current account convertibility. And in the area of trade, it has reduced the scope of export quotas – which stifle trade – by more than half. These measures will help promote viable economic activity, exports, and repatriation of the foreign exchange earnings that Ukraine so badly needs.

Second, a few words on the strength and coherence of this program. The financial policy effort speaks for itself. Cuts in government expenditure in the fourth quarter are designed to hold the full-year budget deficit in 1994 at no more than 10 percent of GDP, as compared with a deficit of nearly 20 percent of GDP that the Government was facing in the absence of policy measures. At the same time, the National Bank of Ukraine has moved with alacrity to begin to restore confidence in the national currency, in particular by increasing interest rates sharply and announcing a freeze on lending by the commercial banks during the remainder of this year. These are exceptionally tight fiscal and monetary measures. But they are required by the threat of exceptionally high inflation. One of the most important objectives for the next few months is to withstand the pressures associated with price liberalization and get inflation on to a clearly declining trend – the targeted monthly rate for next March being 5 percent.

In addition to its strength, the program is comprehensive, with mutually supported macroeconomic, liberalization, structural, and social policies. It therefore has coherence, a feature missing in the past. In particular, the macroeconomic policies are directly supported by structural reforms, such as the privatization of state enterprises, the legalization of private ownership, and the deregulation of private sector activities. Of particular note is the Government's intention to launch a mass privatization program in the coming weeks, beginning with the distribution of privatization certificates to the population. It is also entirely appropriate – indeed essential – that social measures have been introduced to protect the very poor against the possible negative impact of price liberalization.

Third, this program is necessarily only a first step in the right direction. Continuous and persistent effort will be needed over the coming months and years if the economic transformation is to succeed. This will require not only consistency of purpose but also streamlined procedures of governance. Despite the measures introduced earlier this week, the economic situation remains very difficult. The budget is still threatened by the scale of some subsidies, and the deficit must continue to be scaled back decisively. Very substantial domestic liquidity is still in the pipeline. And there is an acute shortage of foreign exchange. These threats and pressures will not disappear overnight. It will be essential to build on the program that has just been introduced to ensure that the pre-conditions

are firmly established for a return to growth in output and in the living standards of the population in the years to come. The Executive Board of the Fund, in its discussion yesterday, therefore drew important reassurance from the Government's stated commitment to build on and reinforce the present policies in 1995.

In the coming days, an IMF staff team will return to Kyiv to help the authorities formulate a program that could be supported by a full stand-by arrangement. As the authorities well recognize, this program should aim to reduce inflation to a very low level by the end of next year. In turn, the budget will need to be brought

much closer to balance and monetary policy kept firmly tight. The establishment and maintenance of macroeconomic stability are essential for healthy economic growth. But they are not sufficient. At the same time, Ukraine's enormous supply potential needs to be fully liberated, not frustrated as in the past. This means that a key policy imperative for the second stage will be incisive and far-reaching structural reform.

I now come to my final point. As the sponsors of this conference recognize, Ukraine's domestic policy efforts will produce the desired





results only if they are supported by strong international partnership and cooperation. One essential element of such cooperation is that the industrial countries must ensure that their markets are open to Ukraine's products. For Ukraine to establish a viable market economy, it must be allowed to compete in markets where it has a comparative advantage. This is a crucial element of cooperation for all economies in transition. Just as important, barriers to trade between enterprises in Ukraine and its traditional trading partners must be removed.

"Industrial countries must ensure that their markets are open to Ukraine's products. For Ukraine to establish a viable market economy, it must be allowed to compete in markets where it has a competitive advantage."

Michel Camdessus, IMF

In addition, the resolute pursuit of stabilization and reform by Ukraine will need substantial financial support from the international community. This is required to preserve the coherence of the program: without new inflows of foreign credits and grants, and debt service relief, foreign exchange shortages will remain acute, the value of the domestic currency could depreciate sharply, and the ability to maintain convertibility would be threatened. Without substantial financial support, the commitment of the Government not to accumulate new external arrears would be put at serious risk. Without such support, imports would not recover from the sharp declines of the last three years, and the reconstruction of the economy – and hence its capacity to service all debts – would be further delayed. Last but not least, without such assistance, the Ukrainian leadership would find it progressively more difficult to sustain political support for its market-oriented approach.

What is the Fund's role in this relationship? It consists of three ingredients. First, the Fund will continue to be there to provide strategic policy advice and help in the formulation of sound programs. Second, it will continue to be there to help with institutional building and to provide hands-on technical assistance. Third, it will be there to provide and mobilize financial assistance to ease the burden of adjustment. In all these efforts, we shall, of course, continue to work in close partnership with the World Bank and the EBRD.

With regard to financing, for 1994 we have sought – with some success – to obtain financing assurances sufficient to complement the US\$365 million being provided by the INF itself and fill the projected financing gap of around US\$1 billion. Several donors, among them Canada, Russia, Turkmenistan, and the United States have contributed generously. Other potentially major donors are still deciding whether and how much they may be able to contribute. I cannot

overemphasize the importance of supporting Ukraine when it has made such courageous decisions. I must remind you that our evaluation of needs is tight and that broader support, promptly disbursed, could make a major difference to the success of this country. And let me add emphasis to the importance of quick follow-through by donors and the prompt release of readily-usable balance of payments assistance. Nobody will be surprised if I refer here to the relevance to Ukraine's situation of the need for an early decision on the proposed package of measures we began to discuss in Madrid. The adoption of the proposal put forward by IMF management – including, in particular, an immediate general allocation of SDRs – would make a major difference for Ukraine: most notably, Ukraine's exchange reserves would immediately be reinforced by a general allocation in significant amounts, without the need for budgetary resources to be mobilized in donor countries.

By the end of today, I hope that all of us – and the Ukrainian Government in particular – will be able to draw comfort from the response of the international community to Ukraine's coherent policy program. With good implementation, and with the extension and reinforcement of its stabilization and reform policies, considerably more assistance will be available for Ukraine from the Fund in 1995. I am confident that Ukraine stands ready to do its part. And the good news from the IMF's side is that on Monday the Executive Board took a very significant step toward enlarging the assistance that can be provided to all Fund members, by increasing, for a period of three years, annual access limits to 100 percent of members' quotas. For Ukraine, this could permit the Fund to provide assistance over a twelve-month period, through a stand-by arrangement in support of a very strong program, of up to about US\$1.5 billion. But, of course, we must keep fully in mind the conditions that must be attached to higher access. The membership has made it clear that the higher annual access limit would permit, and when needed would result in, increased actual access commensurate with the strength of programs. And even with enlarged access, Ukraine's needs will continue to extend beyond what the Fund – and indeed the multilateral institutions together – can provide. I am aware that Ukraine is requesting large amounts of financial resources from the international community at a time when budget constraints are tight in the creditor and donor countries. But supporting Ukraine now and in the period ahead is surely a small price to pay to prevent a parlous economic decline in the coming months and years. It is a wise and essential investment! Ukraine is offering us today an opportunity that we cannot afford to miss.

Leonid Kuchma
President of Ukraine

It gives me great pleasure to greet you at the opening of the Conference on Partnership for Economic Transformation in Ukraine, the success of which is of great importance to our country. I am also extremely pleased that this conference is being held in the hospitable country of Canada with which we have special ties of partnership. I wish to thank the organizers of this conference and the Canadian Government for the invitation and opportunity to address you directly, and I wish you success in your work.

As you know, the decision to hold this conference in Winnipeg was taken at the G-7 Economic Summit in Naples in July of this year. This decision was preceded by the signing of an agreement on partnership and mutual cooperation with the European Union by Ukraine. At this time, our dialogue with the USA, Germany, Canada and other leading states gained impetus.

The revival of our international ties came at a time of internal political changes in Ukraine. The new President and new Government proclaimed their priority to be large-scale economic reforms in Ukraine, and have already begun to work in this direction. This priority continues to be the mainline of our policy, and we are grateful to those countries which have responded to this and have agreed to support Ukraine during this difficult period of its development.

"The principal directions of the economic policy envisaged by the (Economic Reform) Program are extensive liberalization of the economy, achievement of macroeconomic stabilization, a higher level of social protection for the less fortunate strata of the population, and acceleration of structural changes."

We are proceeding from the fact that the existence of a stable, economically powerful democratic and independent Ukraine which is integrated into the world's political and economic system will meet the long-term interests of all the states participating in the Conference. Therefore, it is our hope that the resolutions of this forum will initiate a program of full-scale technological and financial assistance for Ukraine and a broader world market for Ukrainian goods.

I personally, and the Ukrainian Government as a whole, realize that the success of this conference depends largely on which measures for implementing our plans of economic reforms and concrete receptive mechanisms of their



financial support the Ukrainian side will submit for discussion.

As we know, the Government of Ukraine and the National Bank of Ukraine have completed the preparation of, and have begun to implement an extensive Program of macroeconomic stabilization and economic reform.

The principal directions of the economic policy envisaged by the Program are extensive liberalization of the economy, achievement of macroeconomic stabilization, a higher level of social protection for the less fortunate strata of the population, and acceleration of structural changes.

Implementation of the Program is expected to create the conditions for progressive stabilization of the balance of payments, including the renewal of considerable volumes of export from Ukraine; a stop will be put to "leakage" of capital, and reversion of its will begin. Liberalization of the economy through liberalization of the rate of exchange and the system of foreign trade and price regulation will serve as an economic incentive for domestic manufacturers, and create the conditions for the integration of the "shady" sector into a "legal" economy.

Based on the policy and strategy outlined in the Program of macroeconomic stabilization, Ukraine has applied to the International Monetary Fund for a Systemic Transformation Facility.

Preparations are underway to develop a program of further transformations. Support for this program could be provided under the IMF stand-by agreement. Work is being completed on the draft program of structural transformation developed together with the experts of the World Bank in order to obtain a rehabilitation loan. Work has been stepped up on the preparation and implementation of investment projects which are being developed in cooperation with the World Bank, the European Bank of Reconstruction and Development, other international organizations, individual countries and their groupings.

"It is important for Ukraine to have the support of the world community not after the fact, but simultaneously with its market reforms."

The success of the reforms in Ukraine depends largely on international financial support in the solution of the major problems - securing the stable purchase of energy sources up to the end of the year and over the next two years, and securing the appropriate postponement of promissory notes of the Ukrainian government and overdue payments due in 1994.

Ukraine's need for foreign financing was constantly made clear to the heads of the G-7 countries and other highly developed countries and international financial organizations. Questions concerning the implementation and



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support of the Program of macroeconomic stabilization and economic reforms in Ukraine were discussed at bi- and multilateral talks during the annual session of IMF and World Bank leaders in Madrid at the beginning of October this year, and at a meeting of the representatives of the donor countries in Washington on October 18th.

Ukraine is counting on extensive financial assistance from the international community in the nearest future. According to the assessment mutually-agreed on with IMF, we are in need of about one billion dollars US up to the end of this year to support our balance of payments. The first part of the Systemic Transformation Facility of the IMF amounts to 365 million dollars US. We need another 600 million dollars US immediately, primarily credits in hard currency that are urgently needed for the stabilization of the national currency and the purchase of energy sources.

A number of concrete plans of importance to Ukraine has already been drafted, namely plans for the power industry (including the Chernobyl clean-up), environmental protection, the conversion of the arms industry, the development of Ukraine's pharmaceutical capacities, the training and retraining of executive personnel, programs for social protection of the population during the transition to a market economy, plans for reforming the financial sector and the bank system, and plans for Ukraine's involvement in the development of trans-European energy, transport and information networks.

The successful implementation of these plans will depend on prompt financial support, which has already been promised. First and foremost, we have in mind the 400 million ECU designated by the European Union in Euratom loans, and in addition to that 100 million ECU to be provided over a period of three years under the TACIS Program.

We intend to introduce a new currency (hryvnia) shortly, and also to ensure support for the rate of exchange by means of a corresponding financial-budget and monetary-credit policy.

Considering the lower level of the official foreign reserves, we are appealing for help in the form of a stabilization fund of 1.5 billion dollars US to support the introduction of a new currency.

We are hopeful that the approval and implementation of the plans being developed together with international financial organizations will stimulate a flow of considerable private capital to Ukraine.

At the same time, we hope that the attraction of foreign capital to Ukraine's economy, with the stabilization of its valid legislation, the participation of investors in the privatization process and the implementation of guarantee systems, will become a powerful incentive for the stabilization and development of Ukraine's economic potential.

Ukraine's participation in the General Agreement on Tariffs and Trade and its membership in the World Trade Organization would contribute to the solution of the current tasks of economic reform, particularly in the sphere of foreign trade.



These were the main issues discussed in my recent report to Parliament prior to my state visit to Canada. My first steps as President of Ukraine were directed first and foremost at the creation of the necessary conditions for carrying out cardinal market reforms. However, the Ukrainian government understands that the future social and economic development of Ukraine, as well as its mutually advantageous economic-trade relations with the countries of the world depends not so much on the political will of these states and the wishes of international financial organizations, as on the social-political path that Ukraine will choose and follow.

It is our hope that the Winnipeg conference will carry on the Naples initiative of the G-7 with regard to aid for Ukraine.

I would like to emphasize that assistance from the world partnership would have a tremendous economic influence on the development of events and the success of reforms in Ukraine, and would at the same time show that our efforts to transform the economy are actually being supported. It is important for Ukraine to have the support of the world community not after the fact, but simultaneously with its market reforms.

There is no doubt that the financial assistance of the international partnership is not the only factor that will guarantee economic reforms in Ukraine, but it is extremely important to us today. The total financial assistance required by Ukraine for economic reform measures up to the end of 1994 and throughout 1995 is 7 billion dollars US according to our estimates. I am counting on your understanding and support here. I wish you success in your work. ■

Andrei Kozyrev
Foreign Minister of Russia

This conference is another step in the right direction. Some days ago, Mr. Kuchma together with other leaders of the CIS countries participated in the CIS summit in Moscow which discussed strengthening the Economic Union. Today we make a new step forward in promoting economic reforms, this time - on a border international scale. This is a good sign of the growing international cooperation in support of economic reforms in the former USSR.

The cooperation between the CIS countries themselves is just one dimension of their independence. Peoples of Russia, Ukraine and of other members of the CIS decide for themselves now who will be their president, what will be their economic policy.

I would single out three principals of relations between the CIS countries which, in my view, make the essence of the sovereignty: Independence, and at the same time, responsibility for conducting reforms, for fulfilling international obligations. No lectures to one another, no big or junior brothers;

Equality in political and economic relations. This applies also to our relations with the countries of the so-called near abroad, which are as sovereign as any other country in the world - be that close to Russia or far away.

Solidarity and reform. We need not free gifts for others, we need not fish being given to us. What we need is the right to go in for fishing for ourselves, without discrimination.

Russia, which has close historic, ethnic and family ties with the people of Ukraine. The revival of the Ukrainian economy will become a major factor of social and economic stabilization in the CIS. We also believe that harmonization of tempo and scale of reforms in Russia and Ukraine will contribute to establishing a major integration process which will boost the world economic growth.

Our two countries are closely related in the economic sphere. Russia's share in the Ukrainian foreign trade was 51.3% in 1993, while Ukraine accounted for 40% of our trade with the near abroad in 1993. Russia is the principal creditor of Ukraine. Of \$4.3 bln. of the total external debt of the Ukrainian government Russia's share is \$2.3 bln...

My country is experiencing herself all the hardships of the period of transition. So, we know what it is all about. However, we do our best to alleviate the socio-economic situation in Ukraine and to set up favourable starting conditions for a profound reform there. We are doing this not only for moral and political reasons, but also for solid pragmatic reasons. We are closely related to each other, and the success of economic reforms in Ukraine will mean serious help for the Russian reform.

We are supplying this country with vital energy resources at preferential prices. For instance, Ukrainian consumers pay just 50 dollars for 1 thousand cubic meters of natural gas, while the average world price is 70 dollars. Russia displays understanding of the difficult financial

and monetary situation in Ukraine. Hence we have been paying not only our share of debts of the former USSR but also those of Ukraine for the last two years. These payments for the Ukrainian share amounted to \$320 mln. in 1992-1993. It is with the same comprehension that we approach the problem of the Ukrainian debts to Russia, which are overdue. These debts amount to \$363.3 mln. of the principal sum and \$121.8 mln. of interest as of October 1994.

What can the international community, first of all - the "eight" - do to boost profound economic reforms in Ukraine?

"We welcome the IMF decision to offer a loan of \$365 mln. to Ukraine. We take this decision as a formal recognition of Ukraine's commitment to reforms."

First. We expect the conference to achieve its basic goal of mobilizing solid support to the Ukrainian reform on the part of leading industrial nations and international financial institutions. First and foremost this should mean defending concrete contents of Naples "package" of assistance measures. They include \$4 bln. of financial assistance, technical assistance as well as facilitating access of the Ukrainian goods to foreign markets. I hope this "package" will be a little bit more expeditious in translation to practical deeds, than it was in the case of a similar 'package' for Russia.

We welcome the IMF decision to offer a loan of \$365 mln. to Ukraine. We take this decision as a formal recognition of Ukraine's commitment to reforms.

Second. We hope that the conference will help find \$600 mln. that are necessary to ensure critical imports to Ukraine throughout the rest of



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this year. We think it would be warranted to use a part of this sum of regular payments for the future energy supply to Ukraine by Russia, by Turkmenistan and by others.

Third. On her part, Russia as the principal creditor of Ukraine is prepared to seek solutions which will alleviate the Ukrainian burden of debt. We are ready to discuss additional measures for achieving this goal.

In this context I declare that my country is prepared to join the Paris Club of creditors as the major creditor of Ukraine. We hope that Ukraine will conclude with Russia in the near future an agreement on the zero option concerning rights and obligations as to the external state debts and assets of the former USSR. As I already mentioned, we are serving also the Ukrainian share of this debt. We are in favour of concluding a bilateral agreement setting the problem of the internal debt of the former USSR.

There is a special problem demanding urgent actions: Ukraine's debt to Russia for energy resources and other commodities. We hope that after the conference Ukraine will ensure timely and complete payments for servicing her debts to Russia - both with regard to state credits and imports from Russia.

We think that the IMF could promote both the Ukrainian reform and our assistance to this country by granting Russia the reverse credit. It could do it before mid-December. Needless to say how important it is both for Russia and for other members of the CIS. The Paris club could take a similar effort restructuring the debt of the ex-USSR before February 1995. We assume that the forthcoming international financial assistance will be used by Ukraine at least partially for paying her debts and other obligations to Russia.

Russia is prepared, under certain conditions, to postpone from the last semester of 1994 to February 1 1995, Ukraine's payment of the principal debt and of interest which was transformed into state debt. The total amount of these payments is 365 mln. dollars. We hope also that our two countries will conclude an agreement on restructuring the Ukrainian debt to Russia which is over-due. If we come to terms on these measures with our Ukrainian friends, this alone will mean Russian assistance to this country amounting to 700 mln. dollars.

We are very concerned by the problem of safety of nuclear power plants in the former USSR. We welcome the readiness of the international community to help Ukraine in financing this effort. We can, of course, provide necessary equipment for the Ukrainian nuclear power plants. The problem of nuclear non-proliferation will not be discussed directly at your conference. Nonetheless I am sure that other participants share the following Russian attitude: The sooner Ukraine joins the Nuclear Non-Proliferation Treaty, the sooner it will improve the climate for solving the important international problem of assisting economic reforms in this country. In fact, this is the attitude of the G7 nations, as it was reflected in their Naples declaration.

The recent statements by President Kuchma and his government make us confident that Ukraine is on the road of reforms. This will help Russian reforms as well. We are facing stubborn opposition to reforms on the part of nationalists. And here I would like to add a touch of humour. Just yesterday Mr. Zhirinovsky said in the Parliament that it makes no sense to discuss the budget proposed by Prime Minister Chernomyrdin. Why? Because this budget was drafted in the CIA! And that there is no sense in changing the government, since the new government has already been selected by the Kremlin and the CIA together... I hope that the very nature of this conference, as well as the nature of other similar international efforts aimed at helping reforms in Russia and in other countries of the CIS, is the best proof that our actions are dictated not by the CIA, or by KGB, but by the will of our people.

Editor's Note:

Ukraine is committed to pay off US\$72 million of its approximately \$1.4 billion debt to Russia for natural gas with a grant from the United States. Economy Minister Roman Shpek noted Dec.23, that the transfer of the money to the Russian gas company Gazprom will be made in the immediate future. The grant, which is part of a \$200 million aid package promised to Ukrainian President Leonid Kuchma by US President Bill Clinton during Kuchma's visit to the United States in November, has been placed in a special bank account for Ukraine's use.

WINNIPEG

Hon. Lloyd Axworthy, Minister of Human Resources Development, Ukrainian Canadian Congress Dinner with President Kuchma, Oct. 26, 1994

...In the Department of Human Resources and Western Diversification, we have an opportunity to build some new links, some new sharing of resources. I would like to propose tonight, on behalf of the Government of Canada, that we would first offer through my Department of Human Resources, aid and assistance in helping your government to set up a new Labour Employment Program to provide workers with the opportunity and ways to get labour information, training in other areas, and we can provide the technical assistance for such programs.

And I would also like to add, again, as part of the responsibility I have for higher education at the federal level, in addition to the program of academic exchange, that we will offer to provide resources for Ukrainians to come to this country

and study in the area of employment and job creation. Canada can help your government at both the academic faculty and student level through exchange programs, because I believe that with young people, exchange is the best way to establish those foundations.



R. PULLANO

Mr. President, we also have here in Manitoba some interesting experimental innovations in how we work in rural areas to help local, economic development. We have a program called Community Futures which works closely with the Manitoba Premier's government in bringing together business, labour, farm and agricultural leaders with some capital to start small businesses at the local community, rural level. It's a partnership arrangement and we've been internationally recognized for innovation in this area. And I would like to propose tonight that one of the Community futures areas in Manitoba, in the Parkland area of Manitoba, be twinned with the similar area of Ukraine so that we can work together in that wonderful experiment of bringing rural Canada and rural Ukraine together to provide new opportunities for economic development between our two countries.

... Mr. President, we will (also) be opening a new resource business centre for women to start assistance in developing businesses and self employment for women across western Canada. In my proposal, Mr. President, we will aid the women's organizations and networks from resource centres in Canada to work with similar organizations in Ukraine to bring the women of our two countries together in something.

So, Mr. President, it is in those ways I think that we can have a community where people prevail, by giving people real opportunities to come together.



EDMONTON

President Leonid Kuchma, Speech to a Banquet Hosted by Canada's Minister of Natural Resources & the Ukrainian Canadian Congress, Oct. 25, 1994

...We are aware of the fact that the province of Alberta is the most developed western region of Canada. Chemical and petrochemical, metal-working, food-processing, machine-building industries, all those sectors of the economy can find reliable partners in Ukraine...

In its history, the Ukrainian people have experienced a number of tragic events, but every time have found the courage and endurance to alleviate pain, to restore and revive what had been lost. The value of historic experience consists in making use of it for building the future for one's people, in efforts to enrich and improve on the achievements of predecessors, and to go further in preparing the ground for future generations.

It is with such an outlook and hope that the people of independent Ukraine live at present. On obtaining our independence we have faced a number of problems. We have faced new tasks, new obstacles, but, at the same time, we have acquired the feeling of a responsible people, who should rely primarily on themselves, on their own efforts and ability to learn from mistakes of the past, as well as to make use of the good advice and assistance of friends.

Our people cannot be satisfied with the present state of affairs in our country. It is clear to everyone that resolute cardinal changes are necessary to get rid of the burden of the past - changes in the economy, as well as in politics -

and to this end, Ukraine critically needs support on part of the international community.

The sovereignty and independence of states are realized through cooperation between states. At this time of global specialization and universal interdependency in the field of security, Ukraine cannot exist in isolation and it does not seek that - though there have been attempts to allege that it did. It seeks to become an active and reliable partner in the international arena.

We see the future of Ukraine as an important and highly-developed, democratic and influential state of Europe and the world..

TORONTO

Leonid Kuchma, President of Ukraine, Luncheon Canada-Ukraine Chamber of Commerce, Empire Club, Canadian Club and the Board of Trade of Metro Toronto, Oct. 25, 1994

I am convinced that, with your understanding of the situation and assistance on the part of the international financial institutions, combined with our determined implementation of the economic reforms in Ukraine, the conditions will at last permit us to overcome the economic crisis we face and gradually integrate our state into the European and global economies.

The economic program I outlined to Parliament has six priorities, which I can briefly summarize:

The First priority is to stabilize the financial and monetary system.

Second, to introduce radical institutional changes related to property ownership, thereby establishing a modern structure of production and management.

Third, to introduce a structural policy aimed at developing, as a priority, the science-intensive and high technology sectors of our economy.

Fourth, to ensure continued development of the agricultural sector.

Fifth, to develop and implement up-to-date foreign economic policies, aimed at establishing an open economy and integrating Ukraine into the global economy.

And Sixth - the last and yet, perhaps in the final analysis, most important priority - is to put in place a social program that will halt the deterioration of our people's standard of living and bring about its gradual improvement.

... At present, we have begun the immense task of building from scratch the requisite market infrastructure. As a first step, we have begun to create in Ukraine a commercial bank network that works constructively with the National Bank. However, this process is fraught with difficulties in the current state of economic decline. There is a sort of vacuum - a lack of financial resources, especially hard currency, to finance production and economic development. This is why attracting foreign investment and credit is extremely important for us. Indeed, success in this realm is both a precondition and a catalyst for developing cooperation in other fields of economic, scientific and technical development. I believe that developing financial and credit relations, and cooperation between Ukrainian and foreign banks, could start right here in Toronto. The time is ripe for us to discuss ways to develop relations with the leading Canadian banks, and we have started to do so with the Canadian Imperial Bank of Commerce, the Toronto-Dominion Bank and the Royal Bank of Canada. So it is only logical that the central banks of our countries - the Bank of Canada and the National Bank of Ukraine - should also establish a more favourable environment for these bank ties to flourish by concluding an interbank agreement.

Fact: Ukraine is one of the largest European countries not only in terms of area and population, but also in terms of scientific and industrial potential. Why then is it virtually unknown in the business circles of Toronto, specifically, and Canada, in general? On the one hand, Ukraine represents a huge potential market for the sales of Canadian exporters; on the other, Ukrainian industry is well equipped to manufacture and export to Canada and elsewhere any number of modern, especially high-tech, products.

Yet, so far, the volume of trade between Ukraine and Canada remains, frankly,



insignificant. Now, we appreciate there are explanations for that. We realize that export and import conditions in Ukraine appear rather complicated, what with the various seemingly unjustified procedures and numerous bureaucratic obstacles that discourage a potential partner's interest in the Ukrainian market. That is precisely why we are now starting, in earnest, to remove these obstacles. The export system is going to be simplified. A more effective mechanism of stimulating export sales of production will be established. Indeed, one of my first acts as President was to issue a number of Decrees to address these problems – one decree, in particular, "On Improving Currency Regulation," and another "On Measures to Ensure Currency and Export Control."

These changes have begun to improve the situation but, naturally, they are only a beginning.

They are, however, an indication of the changes which are yet to come as we transform our system into a market economy. As far as Ukrainian-Canadian trade relations are concerned, both government and business have taken the first steps to nurture the relationship. Last March, for instance, the Inter-governmental Agreement on Trade and Commercial Relations was signed. At the same time, a Joint Declaration on Special Partnership was signed which provides considerable incentive to develop Ukrainian-Canadian relations. Just yesterday, in Ottawa, we signed an agreement to establish an inter-governmental commission for economic and scientific and technical cooperation.

Trade circles in both countries are becoming more active, as well – as today's conference organized by the Canada Ukraine Chamber of Commerce clearly demonstrates. To make our trade contacts with Canada more active, we have opened a trade office in Canada. We have taken the first steps to develop contacts with the Canadian Exporters Association, and there is considerable potential for cooperation with the Canadian Importers and Canadian Manufacturers Associations.

By the way, this past spring, our Embassy brought these associations together with the Ukrainian Union of Industrialists and Entrepreneurs, which includes 96 manufacturers in the electronics industry, 128 producers of agricultural machinery, and the leading enterprises of practically all branches of the Ukrainian economy. This is a voluntary organization that brings together numerous companies – without regard, I might add, for the form of ownership – in other words, it involves newly privatized companies, as well as state-run and cooperative enterprises.

One of the most attractive forms of commercial cooperation – at least, to judge by its success to date – is the joint venture. Canadians and Ukrainians have set up literally dozens of joint ventures in our country, many of them in the priority sectors of our economy. This type of project successfully combines the needs and potential of both Ukraine and Canada. These ventures work because Ukraine not only

possesses extensive raw materials for manufacturing, but also has considerable scientific knowledge and a highly qualified workforce.

Combining these conditions with modern Canadian technologies, management skills and marketing expertise allows us to develop products destined not only for Ukraine's domestic market, but also for export to third countries.

This is what we need in Ukraine – the technologies, the management skills, the marketing expertise. These are the kinds of things you can share with us without worrying about the long distance that separates our countries. These are not the kinds of things that depend on uninterrupted transportation to be of benefit.

One promising area of cooperation, then, is joint manufacturing in Ukraine for the transportation industry (such as shipbuilding, carriage building and aircraft production) – all of which require considerable amounts of metals, construction materials, assembly skills and so on, which we have, and the latest technology from you. From an economic viewpoint, establishing joint ventures is fully justified in the science-intensive and low material-intensive industries (such as electronics, telecommunications and light and medical industries) – where the volume of foreign inputs is usually small.

"Ukraine is one of the largest European countries not only in terms of area and population, but also in terms of scientific and industrial potential. Why then is it virtually unknown in the business circles of Toronto, specifically, and Canada in general?"

There are quite a few examples of such Ukrainian-Canadian cooperation, and many new areas to be explored. For example, in light industry, where Canadian partners can contribute their share not only in technologies, but also raw materials, taking finished products to Canada as well as to markets of other countries. Or, for example, in the pharmaceutical and biotechnology fields – areas which, I know, are well developed in Toronto. We know that the existence of a thriving biotechnology industry accelerates the production of pharmaceuticals. We will be actively promoting investments in this field for Ukraine because we need these medical products.

The potential for cooperation with companies in Toronto and the province in general is tremendous. We can use your help in a variety of areas, including the latest in electronics, production techniques, application of telecommunication technology, food processing, to name but a few.

And we have a lot to offer you. Ukrainian scientists have outstanding scientific knowledge and can help with the fundamental and theoretical scientific developments that interest

Canadian firms. We have expertise in space, aviation, maritime research and technologies, electrical welding, power engineering, new materials, mathematics, nuclear, physics, biology, information science and cybernetics.

In addition, conversion of the military industrial complex, and the accident management program at Chernobyl present great potential for cooperation.

For example, we propose using Ukraine's expertise in ballistic missiles for non-commercial projects and scientific research. We believe the low price we can offer for such launches will open a new market for us and, if managed properly, could save the industry.

In short, ladies and gentlemen, it is difficult to name a field in which there is not the potential for collaboration between Ukraine and Canada. And there is no better time than now to take advantage of the opportunity.

Ukraine does have considerable scientific and technical and industrial potential, and has already demonstrated world-level developments and achievements. Yet, the shift from our old production arrangements, with their assured markets in the former Soviet Union, toward a market economy has left us with shrinking markets and uncertainty. As a result, production in our factories has slowed down or, in some cases, ceased. It is vital that we breathe new life into them, to start them going again with an impetus for further development. That is why we need foreign investment and expertise. And when our potential is realized, Ukraine will not be the only one to benefit – so, too, will those companies that showed confidence in Ukraine and invested in joint ventures.

We want to do business with Canada – indeed, with all countries – and we are convinced that this cooperation will be mutually beneficial. But for that potential to be realized, naturally, first we need capital, assistance and, equally important, mutual understanding.

I cannot finish without saying a few words about opportunities for cooperation in the agribusiness sector, especially in the field of processing agricultural products. The world knows that nature has endowed Ukraine with fertile lands. It is heart-breaking then – and yes, frustrating – to see my country lose 20%, 30%, or sometimes even more, of its harvest because of the inadequacy of food processing and storage technologies – or, worse, their total absence. That is why we have singled out this field as a priority. That is why we are interested in attracting Canadian and other foreign technologies in this area – joint ventures such as the Ault Foods project, for instance. With proper processing and storage of our agricultural production, we could become not only self-sufficient once again, but major exporters of food – earning the hard currency which we need for energy, rather than spending it. Of course, the foreign partner would also benefit from such an outcome..."



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Embassy News:



REGISTRATION OF FOREIGN OFFICES AND SETTING UP JOINT VENTURES IN UKRAINE

FOREIGN REPRESENTATION OFFICES

According to chapter 5 of the law of Ukraine "On the foreign economic activity", to register a representation office of a foreign company on the territory of Ukraine, it is necessary to provide the Ministry of Foreign Economic Relations of Ukraine with the following documentation:

- a request to register the representation drawn up in free format;
- an excerpt from the trade/banking roll of the country where the foreign company is officially headquartered;
- a certificate of the bank where the applicant's account is officially registered;
- a letter of attorney granting the representative powers drawn up according to the law of the country where the foreign company is officially headquartered;

The abovementioned documents must be submitted in two languages (English or French AND necessarily Ukrainian), notarized at the place of issue and then properly legalized in a Ukrainian Consular office.

The fee for the registration of the representation of a foreign company is \$2,500 US.

JOINT VENTURES

To set up a joint venture, according to existing procedures, it is necessary to submit the following documents:

- an application to the Head of the Department of Foreign Economic Relations within a regional (or city, or district) office of the State Administration;
- the founding documents (charter and agreement);
- a certificate of legal address of the joint venture;
- an excerpt from the trade/banking roll of the country where the foreign partner is officially headquartered;
- a certificate of the bank where the foreign partner's account is officially registered;

The abovementioned documents must, as in the previous case, be submitted in two languages and the last two -- notarized at the place of issue and then properly legalized in a Ukrainian Consular Office.

The fee for the registration of the joint venture is payable in Ukrainian currency.

The procedure for legalization of the documents is as follows: the documents in two languages must be notarized by a Canadian Notary Public and then forwarded to the Department of Foreign Affairs and International Trade Canada, Bureau of Legal Affairs, to the division of Authentication and Service of Documents; then after approval, they are to be submitted to the Consular Section of the Embassy of Ukraine for the legalization procedure.

*Yaroslav Asman, First Secretary, Consular Section
Embassy of Ukraine in Canada, Ottawa*

TRADE FACILITATION OFFICE HELPS IMPORTS-EXPORTS WITH UKRAINE

The Trade Facilitation Office Canada (TFOC), founded in 1980 as a non-profit organization with assistance of the Federal Government, has an active assistance program for Ukraine that helps their exporters to locate markets in Canada and connects Canadian importers with CEE exporters.

Its mandate is to help improve the economic well-being of developing countries and those of Central and Eastern Europe by giving them practical assistance in exporting to Canada. A volunteer board of directors drawn largely from Canadian industry establishes TFOC's operational policies.

Working closely with the Canadian import community, client country exporters and their trade promotion organizations, TFOC introduces exporters to importers through a variety of activities. These include:

- *publishing export offerings from client country exporters*
- *maintaining a data bank of client countries on the Canadian market and how to export to Canada*
- *producing seminars in client countries on the Canadian market and how to export to Canada*
- *organizing export sales missions to Canada*
- *organizing importer buying missions to client countries*
- *organizing seminars in Canada for client country trade representatives*
- *publishing a Handbook on Exporting to Canada for distribution to client country exporters, their trade promotion organizations and embassies*
- *producing and distributing sector specific market information studies to client country exporters, their trade promotion organizations and embassies*
- *producing and distributing a video on the Canadian market to client country exporters and their trade promotion organizations*

For additional information, contact: David Taylor, Director for European Programs for TFOC, 56 Sparks Street, Suite 500, Ottawa, Ontario K1P 5A9, tel: (613) 233-3925 or 1-800-267-9674, FAX: (613) 233-7860.

The Grasp of Empire

by Kostantin Morozov

Visiting scholar at the Ukrainian Research Institute and the Kennedy School of Government at Harvard University, and Ukraine's Minister of Defense from 1991 to 1993. The New York Times, January 5, 1995.

A cardinal principle of Russian military doctrine is that the country should never use its armed forces against its own people. How cynical this sounds as bombs explode in the houses of innocent people in Chechnya. President Boris Yeltsin's order yesterday to stop the bombing of the capital, Grozny, should raise no one's hopes. It applies only to the air force, which in any case has been hampered by fog in the region.

The crisis in Chechnya is far from over. But in addition to my compassion for the Chechen people, I am acutely concerned about the future of my homeland, Ukraine.

A two-faced policy on the use of force to "bring order to the country" has a long tradition in Russia and the Soviet Union. Even leaving aside the czarist and Stalinist regimes, we may recall Nikita Krushchev, Leonid Brezhnev and that champion of socialism with a human face, Mikhail Gorbachev. Each used the army against his own people to maintain the empire and the rule of the Communist Party. Now Mr. Yeltsin is doing it again.

There is no discernible difference between Soviet and Russian policies. In April 1989, Soviet troops broke up a peaceful demonstration in the Georgian capital, Tbilisi, leaving scores of dead and wounded. In January 1991, Soviet forces brought order to Lithuania and blood flowed in the streets of Vilnius. In 1992, these forces, now Russian, provided arms to Russian separatists fighting the legitimate Government of Independent Moldova.

In a speech on Dec. 14, 1992, the Russian Foreign Minister, Andrei Kozyrev, shocked an audience of foreign ministers in Stockholm. "One shouldn't act too familiar with 'Great Russia'" he said. "Russia must protect its interests by all available means, including military ones." Although the Russian news media dismissed this as a harmless remark, more likely it was in earnest - and meant to test world reaction.

Since he took power in 1991, President Yeltsin has been ordering his armies to protect Russian

interests in other countries, not to mention the Russian Federation. The success of this policy, and the West's wait-and-see attitude, have emboldened Russia. In early 1994, Mr. Yeltsin, Russia's military leaders and its diplomats began to demand that the United Nations and the Conference on Security and Cooperation in Europe sanction its aggressive actions by recognizing its troops as "peacekeepers."

Chechnya is no exception to the international policy Russia has thus established. Russia's ambitions are based on its politicians' modest desire to assume the powers of the former Soviet Union. It does not matter to them that the U.S.S.R. had consisted of 15 republics, of which Russia, like Ukraine, was theoretically one among equals - more testimony to the fact that there was never true equality among these so-called fraternal states.

"It's getting hard to tell Russia from the Soviet Union."

The question is how different Russia's current leaders really are from their Soviet predecessors, who turned the military into "hostages of political ambitions" - in the catch phrase once used by Russian democrats, some of whom are in power today.

While their predecessors often sought to conceal their actions from the world and their own people, the leaders of the new Russia do not even heed world opinion. They are, after all, the leaders of a powerful state, and public opinion in less powerful states interests them not at all.

With its one peer, the United States, Russia has an understanding, a tacit partnership. Thus, no condemnation is expected from that quarter. Why speak of Chechnya, which is part of the Russian Federation, when even Ukraine has been relegated to the status of a former Soviet republic and considered to fall in the Russian sphere of influence?

Let us ask ourselves: Are the military operations in Chechnya an internal affair of the Russian state, or is the assault on Grozny an act of aggression? If the world ponders the question long enough, it may become moot, and no one will have to fret any longer over what to call it.

But why do I fret over it? Because Ukraine also must deal with Russia - not only as a neighbour but as the "big brother" of any state that falls in the territory of the former Soviet Union. This is how Russia views its role.

Russia's campaign for international recognition of this role has already met with some successes. One was the concession by the West that led to the "Partnership for Peace," when Russia used its muscle to prevent the former Warsaw Pact nations from joining NATO. Their secondary status would appear to leave the former Soviet republics even more out in the cold. Another was the State Department's reorganization of its European bureau last year. In both instances, Ukraine was relegated to Russia's sphere of influence.

As long as the West concedes to Moscow paramount authority in its part of the world, Russia will have a mandate to seek restoration of its empire. This threatens to undermine Ukraine's future as a democracy.

Perhaps the West does not care exactly how democracy takes root in the former Soviet republics - individually or in an integrated commonwealth under Russian hegemony. The West seems concerned only that it not face the threat from Russia that it faced from the Soviet Union. One can understand that. But the post-Soviet states also deserve consideration. They still imagine that the world is interested in seeing democracy and justice take root where they have never existed before.

But what do the Chechens see? True, Chechnya is a constituent part of the Russian Federation, and no one expects a U.N. Security Council resolution supporting it. Even as Russia wages war against the Chechens, however, its regime continues to be democratic. Will it not try someday to impose this kind of democracy, by similarly democratic means, on my country, Ukraine?

Of course Ukraine is not a part of the federation. And the Ukrainian Parliament agreed to join the Commonwealth of Independent States only with guarantees of its political sovereignty. This nation of more than 50 million people has proved to be an anchor of stability in a volatile region. But Ukraine requires a commitment from the West - moral, economic and diplomatic - to support its efforts to build a democratic future. With the West's support, a strong democracy in Ukraine could prevent a restoration of the Russian empire.

If Russian ambitions are allowed to reign unchecked, as they have in the Moldova, Georgia and now Chechnya, Ukraine-along with other independent republics-could face dangerous upheaval. Such fires must not be allowed to start. Around the borders of Ukraine, they have already begun to smolder.



A Plan for Europe

by Zbigniew Brzezinski

Excerpts from *Foreign Affairs*, January/February 1995 Volume 74, No. 2.

... Admittedly, the expansion of NATO, even if accompanied by a positive resolution of Russia's concerns, will create new problems. The most important of these will be the status and security of the Baltic states and Ukraine. The fiercely independent Baltic states want to be an integral part of Europe. Ukraine currently defines itself as "neutral"; it has resisted Russian pressures to integrate itself into the Moscow-dominated security treaty of the Commonwealth of Independent States (CIS) and it is the only former Soviet republic to have created a large national army.

Russia has grudgingly accepted the independence of the Baltic republics and has formally acquiesced to the independence of Ukraine - but there is a widespread consensus among the Russian political elite that eventually, in some fashion, Ukraine will and should be reintegrated under the Kremlin. That aspiration makes it important that the proposed treaty between NATO and the Russian Federation not be confused with the acceptance by the West of any equivalence between NATO and the CIS. The treaty, therefore, should be with Russia directly. Russian officials would like to establish NATO/CIS parity because it would aid Moscow's efforts to reintegrate the former Soviet Union. In January 1993, Secretary of State Warren Christopher was uncharacteristically forceful but quite right when he warned that "Russia must avoid any attempt to reconstitute the USSR."

The Baltic and Ukrainian issues pose rather different political and psychological complications. The Baltic reaction to NATO expansion is quite predictable: the Balts will step their efforts to become the next members...

The Ukrainian problem is more delicate and unpredictable. If Russia accepts the two-track approach (first, a formal treaty of global security cooperation between NATO and the Russian Federation; and second, a new mechanism for special security consultations within the Conference on Security and Cooperation in Europe), Ukraine may be less likely to press for immediate formal membership, especially if in the meantime its relations with Russia become more stable. If Russia's reaction to NATO is altogether hostile, Ukraine will be faced with a divisive choice. Some Ukrainians will urge Kyiv to press more vigorously for NATO membership, especially if their own relations with Russia should also worsen. Others will advocate accommodation with Moscow.

The problem of Ukraine cannot be deferred. Ukraine is just too big, too important, and its existence too sensitive a matter to both Russia and the West. As NATO expands and seeks to establish a special security relationship with Russia, it will have to consider Ukraine's new relationship to NATO. In doing so, the alliance has to be

conscious of Russia's special sensitivity on the Ukrainian question, but also of the West's broader interest in consolidating geopolitical pluralism in the territory of the former Soviet Union. Ukraine's secure independence is clearly the most decisive and substantive expression of that post-Soviet pluralism. That is why the allies unanimously agree that Ukraine's long-term survival is in NATO's interest.

Russia has to face the Ukrainian issue as well. For the Kremlin, keeping open the option of the eventual reabsorption of Ukraine is a central strategic objective. Accordingly, Moscow recognizes that it would not be in Russia's interest to intensify Ukrainian insecurity or precipitate conditions in which the eastward expansion of NATO prompts Ukraine to seek early admission into the alliance. That consideration should serve as a powerful incentive to Russia to explore the possibility of joint arrangements with the West that, in Moscow's estimate, might reduce the likelihood of dramatic changes in the geostrategic landscape of the "near abroad".

The overarching NATO-Russian Federation treaty should therefore include a special annex containing a joint, formal, and very explicit commitment by both parties to Ukraine's independence and security. At this stage, such a commitment need neither foreclose nor promise any future relationship between Ukraine and NATO, nor any special and truly voluntary cooperation between Russia and Ukraine. It would provide assurance to Ukraine that its political status is respected, enduring, and in the interest of both NATO and the Russian Federation - irrespective of the innermost fantasies of the Russian signatories.

The NATO-Russian Federation guarantees for Ukraine would be derived from the joint interest of the two parties in a non-antagonistic process of meshing transatlantic and Eurasian security. If that interest exists or can be nurtured through constructive discussions undertaken by a strategically focused U.S. leadership, such an agreement with Moscow is attainable.

At some point in the future - but probably only some years after 2000 - both the European Union and NATO will have to reassess the nature of their relationship with Russia and Ukraine. Assuming that by then the European Union and its security arm, the WEU, will have expanded to encompass several Central European states (perhaps including also the Baltics), it will be natural and timely for the EU to consider more comprehensive ties with its new neighbours to the east. The same will be true of NATO, especially if in the meantime a democratically consolidated and economically reformed Ukraine has successfully enlarged the scope of its participation in the Partnership for Peace and satisfied the criteria for full membership.

It is surely in Russia's interest to become more closely tied to Europe, notwithstanding the complications inherent in Russia's Eurasian geography and identity. It is surely in the long-range interest of Ukraine gradually to redefine itself as a Central European state. The proposed arrangement would provide the needed historical pause and the requisite sense of security for Russia and Ukraine to work out a stable balance between

close economic cooperation and separate political coexistence - while also moving closer to Europe as Europe moves toward them.

Of course, a major disruption in European-Russian or Russian-Ukrainian relations cannot be ruled out. The Russian obsession with big-power status, the growing desire to reconstitute a bloc of at least satellite states within the territory of the former Soviet Union, and the effort to limit the sovereignty of the Central European states could produce a crisis with the West. In such a case, an enlarged NATO would have no choice but to become again a defensive alliance against an external threat.

The resulting disruption in the construction of a wider transcontinental security system would be damaging, especially to Russia itself. Several decades ago, the Soviet Union spurned participation in the Marshall Plan and chose instead to go it alone - until it collapsed from historical fatigue. Threatened by the new Muslim states to the south and facing a possible future conflict in the east, today's Russia is in no position to engage also in a conflict with the West. Moscow can perhaps delay somewhat the enlargement of NATO, but it can neither halt Europe's growth nor prevent the concomitant extension of the Euro-Atlantic security umbrella over the wider Europe. It can merely isolate itself again. The Kremlin leaders should realize this. The two-track plan outlined here could help them avoid the basic error made by their Soviet predecessors...

Sins of omission

Extract from *The Economist*
December 3rd 1994

The European Union is on the verge of repeating in Ukraine the mistake the West made three years ago in Russia

UKRAINE at the end of 1994 is remarkably like Russia at the end of 1991. It has a young team of radical reformers who enjoy the patronage of a strong president willing to bet his power on the outcome of reform. Boris Yeltsin had Yegor Gaidar, Anatoly Chubais and others. Under Leonid Kuchma, Ukraine's early reformers, Roman Shepk (economics minister) and Viktor Yushchenko (head of the central bank), have been reinforced by two deputy prime ministers, Viktor Pinzenyk and Igor Mityukov, and a privatization chief, Yuri Yekbanurov.

Three years ago Russia freed prices, opened up to foreign trade and slashed its budget deficit from over 30% Of GDP in 1991 to zero in the first quarter of 1992. Ukraine has recently liberalized prices and lifted export quotas. It has committed itself to unify the exchange rates, do away with



import subsidies and cut its budget deficit from 30% Of GDP in 1993 to 10% by the end of 1994.

In both countries the early reforms won endorsement from reluctant parliaments. In mid-October the Ukrainian parliament approved the package by 231 votes to just 54. Though dominated by panicky communists, parliament has not yet turned against reform. Its backing echoes the conditional support Boris Yeltsin received in October 1991 when the Russian parliament granted him emergency powers to implement his programme.

In early 1992 Russia's reformers wanted to move decisively to macroeconomic stabilization, curbing money growth and pegging the rouble. It was at that point that the Russian experience began to go awry. Largely because of its politics, Russia could not achieve stability without western help. Little was forthcoming. In the first few months of 1992 western governments held back, arguing that the IMF must take the lead. The Fund was unable (critics say unwilling) to do so. Later, western countries promised huge sums on their own-\$24 billion for 1992, \$28 billion for 1993. Relatively little was disbursed. The chance was lost.

Ukraine, reckons Anders Aslund, a Swedish economist who advises President Kuchma, could in 1995 do what Russia failed to do in 1992: implement radical stabilization with western help. It plans to cut the budget deficit to 5% next year and stabilize the currency. For that, Mr Aslund says, it needs about \$6 billion. That is for balance-of-payments support and a currency-stabilization fund.

Many of Ukraine's partners have learnt from the Russian experience. Its two biggest creditors are Russia and Turkmenistan. They have rescheduled part of Ukraine's debt and have offered big export credits for next year.

About \$4 billion of the \$6 billion needed is to come from the IMF and World Bank. They have supported Ukraine's reforms from the start. The IMF signed an agreement on September 23rd, even before the programme was announced. The first tranche (\$371m) was issued as the programme went into effect. The World Bank has signed a deal for \$500m, to be disbursed soon.

That leaves \$2 billion, which is to come mainly from America, Japan and the European Union. Like the IMF, America is helping early. It has provided about \$900M in aid this year, including \$100 m in balance-of-payments support. Ukraine is now the fourth-largest recipient of American aid after Israel, Egypt and Russia. Everything, it seems, is in place to avoid the mistake made in Russia. One thing is missing: aid from the European Union. This is pencilled in at about \$600m for next year.

On November 7th the EU's finance ministers refused to approve the first tranche of this loan (\$106m). Only two countries supported it, Germany and Holland. Britain was flatly opposed; France, Italy and Spain said the money would be better spent in North Africa. The doubters pointed to the possibility that parliament could change its mind in Ukraine, as it did in Russia. They said a new system requiring export contracts to be registered was too bureaucratic. They pointed out

CANADIAN ENGINEER HEADS INTERNATIONAL SCI-TECH CENTRE IN KYIV

Winnipeg... "We want to build tractors, instead of missiles," said Dr. Ostap Hawaleshka, of the Faculty of Engineering of the University of Manitoba.

This month, Hawaleshka will forsake his office in the Department of Mechanical and Industrial Engineering for more spartan surroundings in Kyiv, Ukraine.

"We don't even have a phone line!" he said, throwing up his hands. Hawaleshka has been appointed the first executive director of the Science and Technology Centre in Ukraine. The goal of the project is "to re-apply the skills of weapons scientists and engineers to commercially viable civilian activities... Ideally, our mission is to keep Ukrainian brains in Ukraine for the good of the country," noted Hawaleshka.

The Canadian government is contributing \$5 million over two years to support its participation in the centre, which will include scientific assessment and funding support for selected projects. Canada is one of four founding members of the centre, along with Ukraine, Sweden and the United States. "It was natural for Canada to get involved with the centre," Hawaleshka explained. "Canada is closely connected with Ukraine and the Ukrainian Canadian community is very active in promoting ties with Eastern Europe."

After the end of the Cold War, Ukrainian scientists who had been working to reproduce nuclear weapons found themselves out of work and lacking in employable skills outside of the military establishment.

"Our job is to help them develop new uses for their skills and technology," Hawaleshka added. "We are encouraging project submissions from basic research to prototypes to the development of production technology, all for peaceful uses." Some of the proposals so far submitted include ecological products, projects for the space shuttle and controls for nuclear power stations.

As director of the centre, Hawaleshka said he has to "start from scratch". He said they still do not have office space, a telephone line or a photocopier, and they haven't hired their staff yet. "But we've got lots of project applications already!" he noted.

Hawaleshka was part of the first Canadian trade delegation to Ukraine in 1989. He fled with his family in 1940 and spent several years in Europe before emigrating to Canada. "The centre will be beneficial to Canada and Ukraine. We both have so much to offer each other," he said.

With files from the University of Manitoba Bulletin

that the liberalization of the foreign-exchange market is incomplete because restrictions remain on who may buy dollars. All this is true. What is in doubt is its importance.

On December 5th the ministers meet to discuss the loan again. If they refuse, other potential donors are likely to back out, starting with Japan. That would undermine the reformers' support in parliament, as happened in Russia in 1992. Given the importance of timing, that in turn would put the Big-Bang stabilization programme in danger.

A failure would not mean Ukraine could not win stability at all. Without western help, Russia was able to squeeze inflation down gradually to 5% a

month in August. But it was unable to stabilize prices in one go. The cost has been three years of turmoil, which is not yet over. In Ukraine the cost would be greater. Russia is a large oil producer and exporter in 1993 it ran a trade surplus of \$11 billion. Ukraine needs over \$5 billion a year just for energy imports in that respect its economic position is weaker. For good or ill, years of stability in Ukraine - and southwestern Europe - hinge on the outcome of the EU finance ministers' meeting.



International Exhibitions and Conferences in Ukraine

For up-to-date information and specific contacts, interested companies, organizations and individuals should contact:
Dennis Goresky, Counsellor, Commercial Division, Canadian Embassy, Kyiv, Tel: 07-044-212-0312; FAX: 07-044-212-2339, or
Mykhailo Tytarenko, 1st Secretary, Trade and Economy, Ukrainian Embassy in Ottawa, Tel: (613) 230-2961; FAX: (613) 230-2400

KYIV

- February 1995
BANK AND OFFICE
Office and bank-related equipment and related services; commercial services sector. (Sponsor: *VneshExpoBusiness*)
- Feb. 7-12, 1995
CAR SERVICE
International exhibition of spare parts, electronic equipment for cars, security systems, communication facilities, oils, equipment for gas stations, workshops and garages. (Sponsor: *Union-Primus*)
- Feb. 13-18, 1995
OKHRANA '95
International - security systems and services; commercial services sector.
- Feb. 20-24, 1995
3D KYIV EXHIBITION '95
National - souvenirs, sports and tourism goods; consumer products sector.
- Mar. 6-10, 1995
WINE AND WINEMAKERS
International (Sponsors - *Vneshexpobusiness, Engagement*)
- Mar. 6-10, 1995
TEXTILE '95
National - fabrics, textiles, and related equipment and services.
- March 1995
SAKHAR - SUGAR
National - equipment and technologies for sugar industry.
- Mar. 28 - Apr. 1, 1995
MODERN HOUSE
International exhibition on construction and renovation of cottages and apartments, sanitary techniques, furniture, carpeting, household chemical goods, housewares, toys, instruments and heaters. (Sponsor: *Union-Primus*)
- Mar. 20-24, 1995
SELKHOZ '95
National - machinery, processing equipment, instruments for gardening, consumer goods; agri-food sector.
- April 18-22, 1995
HUNTING AND FISHERY '95
Goods, services for hunting and fishery
- April 26-28, 1995
INTERNATIONAL SMALL BUSINESS CONGRESS
International Congress to promote small and medium-sized enterprises of Ukraine (Sponsor: *INTEGRO*)
- May 1995
SUPERMARKET
International exhibition of trade equipment, consumer goods, food; consumer products and commercial services sector. (Sponsor: *VneshExpoBusiness*)
- May 1995
INMED '95
Medical equipment for clinics and polyclinics (Sponsor: *Nowea International*)
- May 16-19, 1995
CONSIMEX '95
Consumer goods (Sponsor: *Nowea International*)
- May 30-June 03, 1995
BANK AID OFFICE
Modern bank equipment, computer systems, communication facilities, security systems, office equipment, furniture, stationary. (Sponsor: *Primus*)
- May 29 - June 12, 1995
ELECTRO '95
International - electric equipment & consumer goods and products.
- June 4-8, 1995
WOODWORKING INDUSTRY
Forestry, forest transport, forest engineering, sawmill, equipment for wood processing, waste usage, carpenter products in construction, furniture, instruments, working clothes. (Sponsor: *Primus*)
- June 1995
TOURISM AND LEISURE
International exhibition of equipment, products for tourism; consumer products sector. (Sponsor: *VneshExpoBusiness*)
- June 13-16, 1995
WELDING '95
Welding equipment, technologies, services
- September 1995
INPRODPISHTSHEMASH '95
4th International Trade Fair - Processing machinery for meat industry, dairy products & edible fats, machinery and equipment for bakeries, sugar confectionery machinery for the brewing and soft drinks production, products of beverage commodities and tobacco goods, trade and technical literature. (Sponsor: *NOWEA INTERNATIONAL SMBH; Organizer: National Centre for Exhibitions and Fairs of the Ukrainian Council of Ministers.*)
- December 1995
SAKHAR - SUGAR
National - equipment and technologies for sugar industry, sugar manufacturing technologies, equipment, machines for making sugar confectionery, packaging machinery. (Sponsor: *NOWEA INTERNATIONAL SMBH; with Messe-und Ausstellungsgesellschaft Ost-Handel Consulting MBH, Hamburg*)
- December 1995
VNESHEXPO
International exhibition/fair on consumer products. (Sponsor: *VneshExBusiness*)

DNIPROPETROVSK

- March 1995
INTERAGRO '95
Agricultural machinery, equipment and technologies. (sponsor: *Union*)
- March 1995
SPRING '95 - VESNA '95
Apparel, footwear, perfumery, cosmetics, sports goods, jewellery, watches, food. (Sponsor: *Union*)
- May 1995
GORMETALLURGMASH '95
Equipment and technologies for mining and metal industries. (*Union*)

- June 1995
EVERYTHING FOR THE HOME
Materials and equipment for indoor finish, furniture, consumer goods.
(Sponsor: Union)
- June 1995
INTERNATIONAL AUTOMOBILE SALON
International motorcar show: cars, lorries, buses, services, equipment.
(Sponsor: Union)
- June 1995
INSTROYTECH '95
International exhibition of building materials, instruments and project services.
(Sponsor: Union)

LVIV

- February 14-17, 1995
PRODEXPO'95
Modern Technologies and Equipment for food industries (Gal Expo)
- March 1995
HOUSE AND OFFICE
Equipment for house maintenance, office equipment; consumer products and services sector. (Sponsor: GalExpo)
- April 4-7, 1995
HOUSE AND OFFICE'95
Office furniture and equipment, computers, copiers, modern construction materials, machinery, tools, architectural projects. (Sponsor: Gal-Expo)
- June 1995
STYLE '95
2nd international exhibition and fair of: light industry equipment, perfumes, cosmetics, jewellery; consumer products sector. (Sponsor: GalExpo)
- June 1995
GAL-EXPO '95
3rd international exhibition of industrial products; general machinery sector.
(Sponsor: GalExpo)

NIKOLAYIV

- March 1995
AGROBUSINESS
International agri-equipment and services. (Sponsor: NARIM)
- April 1995
MODA '95
International exhibition of consumer products: apparel, footwear. (NARIM)
- May 1995
ELECTRONICS 95
International exhibition.

KRIVYJ RIH

- May 1995
KRIVYOYROZHSKIE KONTRAKTY '95 - CONTRACTS
3rd International Universal Exhibition. (Sponsor: Union)
- May 1995
GORMETALLURGMASH '95
Mining, metallurgical equipment; general machinery sector. (Sponsor: Union)

SEVASTOPIIL

- May 12-28, 1995
ALL-UKRAINIAN FESTIVAL OF CONTEMPORARY HITS AND POPULAR MUSIC - "CHERVONA RUTA"

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AGREEMENT BETWEEN UKRAINE AND CANADA ON ECONOMIC COOPERATION

signed during President Kuchma's visit to Canada, Oct. 24, 1994

The Government of Ukraine and the Government of Canada hereinafter referred to collectively as "Parties" and individually as "Party",

Desiring to strengthen the traditional links of warm friendship and the cordial relations that exist between the two countries, as reflected in the Declaration on Special Partnership signed on March 31, 1994;

Taking into Consideration the Agreement between the Government of Canada and the Government of Ukraine on Trade and Commerce, signed at Kyiv on March 31, 1994, and their Agreement for the Promotion and Protection of Investments, signed on October 24, 1994;

Recognizing that broader and more diversified links between their public and private sectors would be of mutual benefit;

Conscious of the importance of an open international trading system based on market principles and a liberalized regime for foreign investment;

Desiring to develop, promote and expand trade and investment, including through financial, industrial, scientific and technological cooperation between the two countries; and

Resolving to undertake new and energetic efforts to develop and expand this cooperation to their mutual benefit;

Have agreed as follows:

ARTICLE I OBJECTIVES

The objectives of this Agreement are to promote economic cooperation, trade and investment between the Parties, and to foster financial, industrial, scientific and technological cooperations between the companies, enterprises, Government agencies and other organizations of the Parties. The Parties will seek to attain these objectives through the expansion of two-way trade, the facilitation of reciprocal market access, and the identification of mutually beneficial commercial and investment opportunities.

ARTICLE II

1. The Parties share a commitment to market principles with respect to international trade and foreign investment.

2. The Parties shall encourage and facilitate, and on the basis of fair and equitable treatment, direct contact and broader cooperation between their business and academic communities, associations,

organizations, and Government agencies, as set out in paragraphs 3 through 5 of this Article.

3. The Parties shall exchange information on economic development priorities, national economic plans and forecasts, and other significant policies and developments that have an impact on economic relations between the two countries.

4. Each Party shall:

- (a) promote and support trade and investment missions, market analyses, links between business communities and institutions, and other initiatives that bring together potential business partners;
- (b) provide appropriate trade, investment and market information to the other Party;
- (c) provide appropriate information to the other Party at an early stage on significant forthcoming public sector industrial projects;
- (d) identify and facilitate trade and investment opportunities by:

- (i) ensuring that its laws, regulations, procedures and administrative rulings of general application respecting any matter covered by this Agreement are promptly published or otherwise made available to interested persons;
- (ii) identifying specific projects and sectors of potential interest for cooperation;
- (iii) informing its business communities of investment opportunities in the territory of the other Party;
- (iv) encouraging the expansion of financial and banking cooperation;
- (v) assisting in identifying appropriate sources of possible project financing;
- (vi) ensuring the foreign investment and registration procedures are not unnecessarily burdensome;
- (vii) facilitating, where appropriate, the staging of industrial fairs, exhibitions and other promotional activities;
- (viii) encouraging business communities, particularly small and medium-sized enterprises, in their efforts to develop joint enterprises and other cooperative business activities;
- (ix) facilitating, on the basis of reciprocity, the entry and exit of public and private sector experts, investors, business representatives, scientists, and technicians, as well as material and equipment necessary for the fulfilment of activities falling within the scope of this Agreement;
- (x) encouraging joint activities between the companies, enterprises, and other organizations of the Parties, in exporting to third countries; and

(xi) reviewing impediments to trade and investment that might hinder achievement of the objectives of this Agreement, with the aim of eliminating such impediments.

5. The Parties shall encourage, support and facilitate:

- (a) the exchange of information on technologies and know-how;
- (b) the conclusion of licensing arrangements and industrial consulting agreements;
- (c) the industrial application of research and development results and the transfer of technology in order to promote the application, adaptation and improvement of existing and new high technology products, processes and management skills;
- (d) initiatives to improve quality control and standards for products, notably those for export;
- (e) joint projects or other collaborative ventures involving scientific and technological communities in the public and private sectors.

ARTICLE III

The principal sectors of cooperation between the Parties may include the following:

- (i) energy, particularly related to oil and gas exploration, and safety issues related to the generation of nuclear power;
 - (ii) agriculture, and food processing, including the storage, handling, distribution and manufacture of equipment;
 - (iii) conversion of the Ukrainian defence industry to civilian industries;
 - (iv) natural resources, including resource management in forestry and related industries, fisheries, livestock and mining, including geological exploration, mine development and metallurgy;
 - (v) telecommunications and information technology;
 - (vi) construction, particularly urban dwellings and building materials;
 - (vii) aerospace industry;
 - (viii) development of transport infrastructure, distribution services and manufacture of means of transportation and associated equipment;
 - (ix) environmental protection;
 - (x) professional business services, particularly in finance and privatization;
 - (xi) health care services and consumer health products;
 - (xii) petrochemicals;
- and any other fields of cooperation as may be agreed.

ARTICLE IV FINANCIAL SUPPORT FOR COOPERATION

The Parties reaffirm:

- (a) the significance of credit and financial support, on mutually beneficial terms and conditions, for purposes of the stable and effective development of economic and commercial cooperation; and



LEONID SHKOLNIK

Ukraine's Ministers toast the signing of the Economic Agreement between Canada and Ukraine. L-r: Roman Shpek, Minister of the Economy, Valerij Shmarov, Vice-Premier and Minister of Defence and Valerij Pustovoitenko, Minister of the Cabinet.



MIKE PINDER

Saluting the Foreign Investment Protection Agreement. Ukraine's Foreign Economic Relations Minister Serhij Osyka (l) and Foreign Affairs Minister Hennadij Udovenko (r) flank Canada's Minister of Foreign Affairs André Ouellet. Seven major agreements were signed in Ottawa. (See insert, pp 10-11)

(b) their continued readiness to cooperate within the framework of international financial institutions.

**ARTICLE V
INTERGOVERNMENTAL ECONOMIC
COMMISSION**

1. the Parties hereby establish an Intergovernmental Economic Commission, comprising Ministerial-level representatives of the Parties or their designees.

2. The Commission shall:
(a) supervise the implementation of this Agreement;

(b) supervise the work of any committees and working groups established under this Agreement; and
(c) consider any other matter that may affect the operation of this Agreement.

3. The Commission may:
(a) establish, and delegate responsibilities to, ad hoc or standing committees, working groups or expert groups;
(b) invite business representatives of either Party to participate in its activities, or the activities of any committees, working groups or expert groups;

(c) consider issues related to the Agreement on Trade and Commerce; and
(d) take such other action in the exercise of its functions as the Parties may agree.

4. The Commission shall convene at periodic intervals in regular session, with meetings alternating between Canada and Ukraine. Regular sessions of the Commission shall be chaired successively by each Party. ■

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- Fax: 416-767-6839



PREMIUM UKRAINIAN VODKA ARRIVES IN CANADA

Perlova vodka is now available in Canada. The premium brand vodka from Ukraine has recently been approved for distribution by the Liquor Control Board of Ontario, and is being considered by liquor boards across Canada.

Perlova vodka is distributed exclusively in Canada by Moka International a Toronto-based organization with exclusive global distribution rights with a Ukrainian distiller located in Lviv, Ukraine.

Terry Goshulak, Moka's president, said that there was a large demand for an authentic Ukrainian vodka in Canada. "We have found that people want a premium brand vodka they can drink chilled, straight-up. They are looking for a vodka with a smoother more refined taste than the brands currently available in Canada." The company expects Perlova to be popular with the discriminating drinker, people who enjoy a toast and a traditional drink.

Ukrainian vodka has long been known for its distinctive flavour, and the country of Ukraine is considered by many to be where vodka originated years ago. Water and herbs from the Carpathian mountains are key ingredients and give Perlova its unique taste.

The Perlova bottle has a traditional black and red label and can be obtained in liquor stores, or by calling Moka directly at 416 483-1010.

Canada Encourages Investment in Ukraine:

Overview of Renaissance Programme & Opportunities

by

Joanne Charnetski and George Rejhon

In reaction to the unprecedented changes occurring in Eastern and Central Europe at the turn of the decade, the Department of Foreign Affairs developed the Renaissance Eastern Europe Programme (REE) to assist the countries of the former Soviet Union to successfully survive their transition and incorporation of free market economics. With hope of facilitating investment that would reach a profitable and sustainable end, the programme encourages Canadian investors to increase their activity in these markets and work with their new partners in reaching international standards.

Promoting the exploration of mutually beneficial, cooperative relationships, REE offers non-repayable financial assistance. REE helps pay for further examination of such things as:

- venture specific front-end studies
- joint business ventures
- investment opportunities
- structured cooperation
- enterprise-specific training.

Up to 50% of eligible expenses (including travel, training, translation, legal and other consulting expenses) can be covered up to a maximum of \$100,000 per project. REE understands the value added of creating industrial linkages between various investments and will fund up to three separate/distinct activities per company per government fiscal year.

REE has certain applicant criteria that must also be met by Canadian investors. Applicants must satisfy at

least one of following:

- incorporated business
- independent professional service firm
- private sector trade association
- profit orientated Crown Corporation
- Crown-owned company
- provincial/municipal agency

Companies must possess creditability and capability; incorporated and professional firms must have been established for at least three years in Canada and must have annual sales exceeding \$1 million (service firms require 50% of that amount).

REE is sponsored and delivered by the Department of Foreign Affairs and International Trade's (DFAIT's) Bureau of Assistance for Central and Eastern Europe. All administrative responsibilities are adhered to by DFAIT's Central and Eastern Europe Trade Development Division.

For additional information on how to apply to REE, potential partners/areas of investment in Ukraine or development of new ideas, contact:

George Rejhon
GRE (613) 789-1577
Joanne Charnetski
JCI (819) 827-3606

George Rejhon is President of George Rejhon and Associates and Joanne Charnetski is President of JCI - Global Strategists (JCI).



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"TRANSNEFTEGASAGRO" (TNG AGRO)

Open Joint Stock Company comprising 11 state and co-operative agricultural enterprises of the Golaya Pristan region. Areas of activity include: *Agri-food*: canning, bottling of mineral water, dairy products, meat and fish products. Currently involved in JV project for gas pipeline. to Zhelesny Port. Also interested in developing tourist industry near Zhelezni Port village along Black Sea coast. Looking for investment in agri-food sector; transfer and metering of gas for gasification of villages; joint construction projects for tourism and recreation. Contact: Alexander K. Bobibin, 39, 1st May St. Golaya Pristan, Kherson Region, 326240. Tel. contact: Valery Roukavishnikoff (044)212-36-27; Fax:(044)213-36-27

CATERING COMPLEX OF KRASNOGARDEISKY DISTRICT

Dnipropetrovsk
Looking for partner to set up JV for production and packaging of confectionary products using modern equipment and technology. Enterprise is profitable, consists of confectionary plant, warehouses and 11 shops. Contact: Ms. O. Orlova, 3A Krasnopol'skaya St., Dnipropetrovsk 320122 Ukraine Tel:(0562) 96-15-75 Fax: (0562) 44-27-26

KYIVCONTRACT

Specializes in retail and wholesale of food products and consumer goods. Looking for a partner to manufacture and package confectionary products (food and candies) in Ukraine and other CIS countries. Current staff: 15
Contact: Mr. V. Gozhenkov, Kyivcontract, 11 Yaroslavskaya St. Kyiv 254071, Ukraine Tel/Fax: (044)417-4204

TEBODIN UKRAINE

Company profile: an independent international company of consultants and engineers specializing in areas of activity including the oil and gas, chemical, pharmaceutical/biotechnology, energy, food, logistics and environmental markets. Contact: Volodymyr Bilovol, 20, Esplanadna str., Kyiv, Ukraine 252023 tel: (044) 220-1676 Fax: (044) 227-0200

S.O.W.A. LTD

Wholesale and investment company in Ukrainian metals market. Partners include nickel plant producing ferro-nickel alloys. Looking for buyers or investors. Contact: J. Joujmenko, 316050 Ukraine, Kirovohrad, Karl Marx Str. 13/16, Hotel Europe, Office 802. Tel: (522)22-67-98 Fax:(0522)22-97-15

MAKROSS

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Holding Trade Industrial Company
Contact: Andriy Zadorojnyi Ukraine Kyiv
Vul. Pankovskaya,25 Tel:(044)220-55-08
Fax:(044)220-6190

PRYDNIPROVIA ASSOCIATION

Contact: Leonid Shkolnyk Ukraine,
Dnipropetrovsk, 320027 Vul. Dzerzhynskoho
16/19 Tel:(0562)443241 Fax:(0562)454306
Fast-growing, includes manufacture of plastics and plastic products. Interested in doing business with Canada.

DICOM INVESTMENT COMPANY

Activity: Transactions in fund market dealing with all kinds of securities. Has 14 subsidiaries, 15 branch offices, and 10 representation offices throughout Ukraine, as well as in Moscow and Sophia. Looking for foreign partners. Contact : Mr. Alexander Maksmudiv, Tel: (0622)95-25-88 Fax: (0622)95-25-85.

PRINS-GROUP

Can provide Canadian companies doing business in Ukraine with the most up-to-date information regarding regulations and laws affecting patents, trademarks, designs, and utility models. Contact: Valentin I. Mikhailyuk, Department M - Patents, Trademarks & Designs, 46 Bobruiskaya Str., Kharkiv 310054, Ukraine Tel/Fax: 7(044)240 24 86.



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**Chair of Ukrainian
Studies Foundation**



**La Fondation de la Chaire
des Etudes Ukrainiennes**

**Фундація
Катедри Українознавчих Студій**

The Chair of Ukrainian Studies Foundation established in 1980 at the University of Toronto, Canada's first endowed Chair of Ukrainian History. The Foundation continues to support scholars and students at Canadian and foreign universities through fellowships, scholarships and awards. The following are several of the Foundation's scholarship programs.

CANADA-UKRAINE PARLIAMENTARY PROGRAM

The Parliament of Ukraine in 1990, adopted the Declaration of Sovereignty which recognized the need to build the Ukrainian State based on the Rule of Law.

In 1991, Canadians celebrated the centennial of Ukrainian group immigration to Canada. To mark the Centennial in a meaningful way, the CUSF established the Canada-Ukraine Parliamentary Program for university students from Ukraine.

Through the Canada-Ukraine Parliamentary Program, Ukrainian students could observe the precepts of the Rule of Law as practised in Canada. The Program would provide Ukrainian students an opportunity to work and study in the Canadian Parliament and to get to know Canada and Canadians. As well, it was hoped that the Program would contribute to the education of future leaders of Ukraine.

**THE WALTER SURMA TARNOPOLSKY ENDOWMENT FOR THE PROMOTION,
UNDERSTANDING AND OBSERVANCE OF THE RULE OF LAW**

The Walter Surma Tarnopolsky Endowment was established in memory of the Honourable Mr. Justice Walter Surma Tarnopolsky, Justice of the Court of Appeal for Ontario who died in 1993, shortly after returning from his most recent assignment as constitutional advisor to the Government of South Africa.

An annual award will be made to a scholar, author or student for academic merit to support research for the promotion, understanding and observance of the Rule of Law.

UKRAINIAN AMBASSADOR'S AWARD OF EXCELLENCE

An annual award will be made to a student for academic excellence in the field of Ukrainian studies at the Universities of Saskatchewan, Manitoba, Ottawa, Waterloo, York, Toronto and McMaster. The granting of the awards will begin in the academic year 1995/96.

The Chair of Ukrainian Studies Foundation is nationally incorporated as a Registered Charity. Donations to support the Foundation's scholarship programs are tax deductible.

620 Spadina Avenue, Toronto, Ontario M5S 2H4 Tel: (416) 234-9111 Fax: (416) 234-9114



GOVERNMENT OF UKRAINE

List of contact information for various ministries and other government offices

Government Office / Ministry	Address	Telephone	FAX /E-Mail
President	252008 Kyiv Ukraine, vul. Bankova, 11	7-044-226-3265	7-044-239-100; E-mail: postmaster@ribbon.Kyiv.ua
Cabinet of Ministers	252008 Kyiv Ukraine, 12/1 Hrushevskiy Street	7-044-2993293,2935227	7-044-293-2093
Verkhovna Rada (Supreme Court)	252019 Kyiv Ukraine, vul. M. Hrushevskoho	7-044-291-5100	E-mail: vrukrasovam.com
Ministry of Agriculture	252001 Kyiv Ukraine, vul. Khreshchatyk 24	7-004-2260-3466, 226-2504	7-004-229-8756
Ministry of building and construction	252008 Kyiv Ukraine, vul. Sadova, 3	7-044-226-2140, 229-1271, 292-0470	7-044-226-3468
Ministry of Chernobyl Aftermath	252196 Kyiv Ukraine, Lesi Ukrainky Pl. 1	7-044-226-3067, 296-8395296-867	
Ministry of Communications	252001 Kyiv Ukraine, vul. Kreshchatyk, 22	7-044-226-2140, 229-1271	7-044-225-3257
Ministry of Culture	252030 Kyiv Ukraine, vul. Ivan Franka, 19	7-044-224-4991, 226-2645	7-044-225-3257
Ministry of Defence	252005 Kyiv Ukraine, 6 Barkivska Street	7-044-226-2637, 226-2656, 291-5441	7-044-226-2015
Ministry of Economy	252008 Kyiv Ukraine, vul. Hrushevskoho, 12/2	7-044-293-0108, 293-4465, 293-6141	7-044-228-7083
Ministry of Education	252135 Kyiv Ukraine, Peremohy Pl. 10	7-044-226-3213, 26-1049	7-044-224-4021
Ministry for Energy and Electrification	252001 Kyiv Ukraine, 30 Khreshchatyk Street	7-044-226-3027, 224-9388	7-044-224-4021
Ministry of Environmental Protection	5 Kreshchatyk street, Kyiv Ukraine	7-044-226-2428, 228-4004	7-044-229-8383, 228-0644
Ministry of Finance	252008 Kyiv Ukraine, vul. Hrushevskoho Pl. 1	7-044-226-2044, 293-5363	7-044-226-2617, 293-2178
Ministry of Foreign Affairs	252018 Kyiv Ukraine, Mykhaylivska Pl. 1	7-044-226-3379	7-044-293-6950, 226-3179
Ministry of Foreign Economic Relations	252053 Kyiv Ukraine, 8 Lvivska Ploscha	7-044-226-5233, 226-2733,212-5423, 212-5359	7-044-228-7794
Ministry of Forestry	252001 Kyiv Ukraine, vul. Kreshchatik 5	7-044-226-3253	7-044-228-7794
Ministry of Health	252021 Kyiv Ukraine, vul. Hrushevskiy, 7	7-044-226-2205, 293-6194	7-044-227-4104
Ministry of Internal Affairs	252024 Kyiv Ukraine, 10 Bohomolets Street	7-044-226-3317, 291-1830	7-044-291-3182
Ministry of Industry	252167 Kyiv Ukraine, vul. Miryntsi Paskovoi, 15	7-044-226-2623	7-044-227-4104
Ministry Of Justice	252030 Kyiv Ukraine, vul. M. Kotsiubynskoho 12	7-044-226-2416	
Ministry of Labour	252004 Kyiv Ukraine, vul. Pushinska 28	7-044-224-6347	7-044-224-5905
Ministry of Military Complex & Conversion	Kyiv Ukraine, vul. Pushinska 8	7-044-291-5052	
Ministry of Social Welfare	252953 Kyiv Ukraine, vul. Kudriavska 26\28	7-044-212-2555	
Ministry of Statistics	252023 Kyiv Ukraine, vul. Shota Rustaveli 3	7-044-226-2021	
Ministry of Transport	252113 Kyiv Ukraine, Peremohy pr. 57	7-044-446-3030	
Ministry of Youth and Sport	252023 Kyiv Ukraine, vul Kudriavska 26\28	7-044-220-0220, 220-1461	7-044-446-3030
Security Service of Ukraine	252003 Kyiv Ukraine, vul. Volodymyrska 33	7-044-226-2416	
Ukrainian State Patents Office	252053 Kyiv Ukraine, Lvivska Ploscha, 8 room 507	7-044-212-3413	
Ukrainian State Copyright Agency	252030 Kyiv Ukraine, vul. Lenin, 34	7-044-224-2940	7-044-225-2329



CANADA-UKRAINE PARTNERS OFFICE (CUPO) IN UKRAINE

Director
Agricultural Sectoral Specialist
Health Sectoral Specialist
Public Administration Sectoral Specialist
Civil Society Sectoral Specialist
Administrator
CUPO representative in Lviv

Lubomyr Markevych
Volodymyr Kantur
Olena Kurysko
Andrij Haldamashko
Olena Horyeva
Volodymyr Dotsenko
Yaroslav Petryshyn

CUPO Address:

Kyiv 252006, "Ukrainsky Dim"
Khreschatyk St. 2, 4th floor
Tel: 044-229-0193
FAX: 044-228-5790



DEPARTMENT OF FOREIGN AFFAIRS CANADA Bureau of Assistance for Central & Eastern Europe

CONTACTS for UKRAINE

Director General	Nancy Stiles	992-2099
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FORMER SOVIET UNION (FSU) DIVISION

Director	Kevin O'Shea	943-0497
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Deputy Director - Ukraine Other FSU, CNSI	André Potvin	944-0882
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Ukraine: Private/ Public Sector; People-to people	Patricia Campbell	944-1231
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Ukraine: Environment, Democracy	Jane Jamieson	943-0500
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Upcoming issue:

UPDATE 1995 on the CANADIAN TECHNICAL ASSISTANCE PROGRAMS FOR UKRAINE

Bureau of Assistance for Central and Eastern Europe, Foreign Affairs and International Trade

Canada's program of technical assistance with Ukraine was established in July 1991 and is managed by the Bureau of Assistance for Central and Eastern Europe, 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 Ukraine. The Canadian assistance program has committed \$46 million to some 80 projects to date. Of this total, approximately \$26 million has been disbursed.

The Canadian 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 all sectors, the Canadian program emphasizes capacity building through the transfer of knowledge, expertise and technology. Human resource development, institution building and the provision of policy advice are the primary forms of assistance. A strong emphasis is placed on the establishment of direct links between Canadian individuals and organizations and their Ukrainian counterparts to ensure that Canadian assistance has a direct and practical impact at the local level.

Subscribers can receive detailed information on the Technical Programs or individual projects (on hard copy, diskette or E-mail) by contacting the Monitor.

DIPLOMATIC MISSIONS

Ukrainian Embassy in Canada

Ambassador H.E. Victor Batiuk Embassy of Ukraine 310 Somerset St. Ottawa, Ontario K2P 1S3	Tel: (613) 230-2961 FAX: (613) 230-2400
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Andriy Veselowsky, Minister-Counsellor
Mykhaylo Tytarenko, Economic Counsellor
Ihor Sanin, Counsellor, Head of Trade and Economic Mission
Yevhen Polishchuk, First Secretary - Culture and Information
Yaroslav Asman, First Secretary - Consular Section
Borys Polyachenko, First Secretary - Science and Technology
Col. Mykola Rizun, Military Attaché
Ivan Seluk, Assistant Military Attaché

Ukrainian Consulate in Toronto

Oleksander Sobotovych, Consul Consulate General of Ukraine in Toronto 120 Bloor Street West Toronto, Ontario M6S 1M8	Tel: (416) 763-3114 FAX: (416) 763-2323
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Canadian Embassy in Ukraine

Ambassador François Mathys 31, Yaroslaviv Val Street P.O. Box 200 Kyiv, Ukraine 252034	Tel: (044) 212-3550/ 2235/3532
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Dennis Goresky, Trade Consul
George Grushchenko, Senior Commercial Officer

What's wrong with this picture? YOU'RE NOT IN IT!

Toronto's Ault Foods ventures to create a Ukrainian cheese.

Ukraine's international telephone code **380**
(By June.)

A National Treasure - **Shumka Dancers** of Edmonton

Saskatoon - home of **fitness guru** Beverley Ann Bazowski and **Schneider's Popcorn Queen** Colleen Krywulak.

A **genealogical service** with offices in **Ottawa** and **L'viv** will trace your roots, family tree and the land that it sprang from.

Ukrainian sources



Tsarivna Alexis Kochan, Winnipeg recording artist, goes mainstream with **Paris to Kiev**. More air play is the ticket.

Toronto construction and agricultural equipment manufacturer wants to offer his expertise to Ukraine. Calls **Ukrainian Sources** to get the word out.

Resource recovery: American **mining firm** set to reclaim tons of spilled **hydrocarbon fuel** in Ukraine.

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