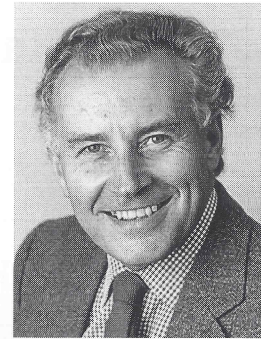


Greeting to Readers of the "Canada-Ukraine Monitor"



I'm pleased to have this opportunity to send greetings to the readers of the Canada-Ukraine Monitor, on behalf of the Canadian International Development Agency's (CIDA) program of technical cooperation with Ukraine.

Canada has, since 1991, supported a program of technical cooperation in Ukraine. Last year, the Central and Eastern Europe (CEE) Branch of CIDA provided more than \$19 million to support a wide range of projects in Ukraine. The CEE Branch recently developed a strategy document on our program in Ukraine, to guide our future planning. I would like to bring to your attention some key elements of that strategy.

CEE Program Objectives

Canada is eager to help Ukraine as it develops a market economy and democratic political institutions. The three policy objectives set by Canada at the beginning of its program in the Central and Eastern Europe region continue to guide CIDA's strategy for Ukraine, namely:

- to develop a national program on alternative fuels to help reduce Ukraine's reliance on imported oil; this could lead to capital investments of up to \$500 mln.;
- to support the transition to a market-based economy;
- to promote democratic development and good governance; and
- to increase Canadian trade and investment links.

The extent to which Ukraine achieves success in these areas depends directly on the implementation of an extensive reform program. CIDA's work in the region is based firmly on this premise, and the projects we support in Ukraine must, in some way, help advance reforms in the country -- whether the focus is on government, the economy, or social institutions.

Projects as a catalyst for reform

It is our belief that projects of technical cooperation can play an important role in advancing that process of reform. CIDA's Ukraine program seeks out projects which, with a relatively small financial commitment, have the potential either to "spark" activities which will contribute directly to the reform process or to serve as a catalyst for other existing or planned reform-oriented projects in Ukraine.

- a three-year business management project with Grant MacEwan Community College, which aims to train both managers and employees of new private sector companies in Ukraine;
- a four-year project with Queen's University, to develop a core university course on "democracy" for future journalists, social scientists and high school teachers;
- a four-year project with the International Development Research Centre, to improve environmental management practices in Ukraine, in particular in municipal water supply, wastewater treatment, and the management of landfills and recycling; and
- a five-year initiative, managed by the Canadian Cooperatives Association and the Council of Ukrainian Credit Unions of Canada, to re-establish in Ukraine a country-wide network of viable, self-sustaining credit unions.

As the above list illustrates, CIDA draws on the experience of Canadian governmental bodies, private firms, and voluntary sector agencies and organizations in delivering its program of technical cooperation with Ukraine. Typically, these organizations will provide some form of advice, which need not be expensive and which is carefully tailored to meet the particular needs of Ukraine. What's more, our organizations in Ukraine are strengthened through their association with their Canadian counterparts, enabling them to play a greater role in shaping future reforms.

Our program makes a difference

We believe that this program of technical cooperation has significant potential for exercising a positive influence. CIDA's program to date has been well received in Ukraine; it is highly visible, and trusted by our partners -- both those in Canada as well as those in Ukraine. As a result, CIDA's program has gained access to the highest levels of the Ukrainian government.

This is particularly noteworthy, given the relatively modest resources provided by CIDA compared with the size of the Ukrainian economy, and in light of the much more sizeable offerings from other donor countries.

CIDA will continue to provide readers of the Canada-Ukraine Monitor with news and information on the Canadian government's program in Ukraine. In addition, for those who are interested in more regular updates, the CEE Branch has a page on the CIDA internet site (www.acdi-cida.gc.ca).

**Charles Bassett, Vice President
Central and Eastern Europe Branch**