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## U.S. Assistance to Russia

[The following report was released by the White House, Office of the Press Secretary, in Washington, D.C., on June 17, 1992.]

The U.S. Government has undertaken a historic effort to provide support for the democratic changes taking place in Russia. While the ultimate responsibility for the success of the reform program can rest only with the Government and people of Russia, the United States can, and is, doing much to help. U.S. strategy is to offer, as part of an internationally coordinated effort, humanitarian, technical, and macroeconomic assistance designed to help the Russian people establish democratic forms of government and free economies fully open to trade and investment with Western partners.

### HUMANITARIAN ASSISTANCE.

The United States completed 24 flights with an estimated 1,200 tons of food and 100 tons of medical supplies to Russia under Operation Provide Hope Phase I. Operation Provide Hope Phase II currently is delivering about 16,000 tons of surplus Department of Defense food and 262 tons of medical supplies to nine Russian cities.

The United States has shipped \$12.3 million in medical assistance under the President's Medical Initiative through Project Hope, a private voluntary organization.

Under the Food for Progress Program, the U.S. Department of Agriculture (USDA) has signed agreements with five private voluntary organizations to deliver approximately \$90-million worth of commodities (including transportation) to Russia. USDA has signed an agreement with the Government of Russia to provide a further grant of \$34-million worth of butter, which will be sold in Russian markets. As agreed with the Government of Russia, the proceeds from the sales will be used to provide support for humanitarian assistance.

Working with our allies, the United States will be prepared to respond to additional requests for emergency humanitarian assistance in the coming months should that need arise.

### MACROECONOMIC ASSISTANCE.

The United States is participating in a \$24-billion multilateral financial assistance program to support Russia's economic reform program. The U.S. [estimated share] of this package for calendar year 1992 is approximately \$4.5 billion. This includes \$900 million as the U.S. share in the international financial institutions' efforts (roughly 20%), \$1.5 billion for a currency stabilization fund for Russia (up to \$3 billion could be made available to include stabilization funds for other new independent states), and approximately \$2.1 billion in bilateral assistance (on a disbursements basis).

Initiation of most of these activities, including the stabilization fund and financing from the IMF [International Monetary Fund] and World Bank, will depend upon the conclusion of a standby agreement between the Russian Government and the IMF.

U.S. contributions will come both through multilateral assistance efforts through the international financial institutions and through bilateral U.S. programs. For example, the President is seeking approval from Congress of a \$12.3-billion increase in the IMF quota, allowing it to expand its lending capabilities.

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## CREDIT GUARANTEES.

USDA has allocated \$3.75 billion in CCC [Commodity Credit Corporation] credit guarantees to the former Soviet Union for the purchase, mostly by Russia, of almost 25 million tons of agricultural products. An additional \$600 million in CCC credit guarantees for Russia was announced by the President on April 1.

Eximbank (Export-Import Bank) financing has been made available. To date, nine export-financing transactions worth \$185 million have been approved, and Eximbank has reached agreement, in principle, on financing for U.S. oil and gas equipment and services. Eximbank also is engaged in discussions with the Russian Government concerning support for \$200 million in U.S. exports in the fields of environment and nuclear safety. Eximbank estimates financing of \$500 million to \$1 billion will be approved through fiscal year 1993.

An OPIC [Overseas Private Investment Corporation] agreement has been signed, and OPIC has approved one Russian project worth \$159 million over several years.

## TECHNICAL ASSISTANCE.

The Administration has requested \$620 million in new appropriations for American humanitarian and technical assistance for FY 1992 and FY 1993 for the former Soviet Union. This Funding request will support implementation of the FREEDOM [Freedom for Russia and the Emerging Eurasian Democracies and Open Markets] Support Act. In the meantime, the Administration has initiated assistance programs with \$85 million reprogrammed specifically for this purpose.

The U.S. Government is prepared to spend an additional \$400 million on projects related specifically to the destruction of nuclear weapons and countering nuclear weapons proliferation. Some of these funds will be available for the employment of scientists from the former Soviet Union. Toward this end, we have committed \$25 million to establish an International Science and Technology Center in Russia.

We have sent defense conversion advisers to Nizhny Novgorod and will be sending advisers to other Russian cities within the coming months.

We have begun work with the International Finance Corporation to run privatization auctions in three cities in Russia and Ukraine. These auctions will be based on the recent successful auctions in Nizhny Novgorod and will be used particularly to sell the small and medium-(size) retail businesses in each city.

USDA plans to establish a model agricultural farm near St. Petersburg and will provide experts to establish private wholesale food markets in Moscow. USAID [U.S. Agency for International Development] plans to send specialists in post-harvest loss and feed storage. The majority of the 1,500-1,800 U.S. volunteers in the Farmer-to-Farmer Program will be placed in Russia.

- Special American Business Initiative (SABIT) will provide training internships for Russian scientists and managers (13 have been trained so far).
- International Executive Service Corps will provide private sector advisers.
- One hundred Peace Corps volunteers are in training for October placement.

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- A resident housing adviser is on the ground in Moscow.
  - A U.S.-Russia Children's Health Partnership began in May.
  - An energy efficiency team will install energy-saving equipment in Moscow this fall.

Pharmaceutical production assistance will be provided through commodity, equipment, and short-term technical assistance activities to provide a quick fix for plants producing DPT [diphtheria, polio, tetanus, measles] vaccines. This will bring production of two of these vaccines up to 100% of their previous production for consumption inside Russia.

The United States announced at the Lisbon Coordinating Conference its intention to provide \$25 million in support of nuclear reactor safety in the former Soviet Union. The initiative's objective is to improve the operating safety of Soviet-designed nuclear power plants. It will emphasize improved safety procedures, appropriate safety upgrades, and operator training through the establishment of regional training centers in Russia and Ukraine.

Other technical assistance programs in planning include coal mine safety, rule of law, public policy training, democratic initiatives, legal advisers, and investment promotion.