

# UNITED NATIONS DEVELOPMENT PROGRAMME



# UNDP

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## COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

### Consideration and approval of country programmes

#### SECOND COUNTRY PROGRAMME FOR CYPRUS

#### UNDP assistance requested by the Government of Cyprus for the period 1983-1986

Illustrative IPF for 1982-1986: \$5.0 million

#### INTRODUCTION

1. The preparation of this country programme was carried out by the Planning Bureau, which is the Government's planning and co-ordinating authority with respect to all development projects as well as technical co-operation programmes. There has been close co-operation with the United Nations Development Programme (UNDP) office in Nicosia in the elaboration of the contents and character of the programme. During the preparatory process, the Planning Bureau reviewed with ministries and other government services their requirements for technical assistance. The country programme for Cyprus is oriented towards meeting national priority needs. At the same time, in line with its constant policy of enhancing economic and technical co-operation with other developing countries, the Government is ready to make available to these countries the practical experience obtained in the implementation of projects included in the country programme by providing facilities for training their students and specialists in Cyprus and by offering expert services in order to contribute to their

\* In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, annex 1), the second country programme for Cyprus is being submitted to the Council without an accompanying note by the Administrator. The previous country programme for Cyprus and the accompanying note by the Administrator were issued under the document symbols DP/GC/CYP/R.1 and DP/GC/CYP/R.1/RECOMMENDATION, respectively.

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development.

2. In this connection, it should be noted that the benefits of projects included in the country programme will be for the people of Cyprus as a whole.

Duration and time-frame of the programme and anticipated resources

3. The indicative planning figure (IPF) for Cyprus for the period 1982-1986 is \$5 million. In accordance with standing instructions, only 80 per cent, or \$4 million, has been taken into account for programming, plus an amount of \$550,000 carried over from the second IPF cycle and \$22,000 to be provided by the Government as cost sharing. Since this country programme covers the period 1983-1986, the authorized budget level for 1982, \$1.1 million, has been subtracted, leaving an amount of \$3,472,000 available for programming. Out of this amount, a sum of \$500,000 has been earmarked for activities for which projects are to be formulated in various sectors in due course.

UNDP TECHNICAL CO-OPERATION ENVISAGED IN SUPPORT OF  
NATIONAL DEVELOPMENT PRIORITIES

4. The over-all development objectives and priorities identified by the Government which aim at facilitating and enhancing the process of national self-reliance include inter alia, the maintenance of conditions of full employment and full utilization of manpower, the restructuring of the economy with emphasis on the technological and organizational modernization of local enterprises, the achievement of a more equitable distribution of national income and the implementation of an appropriate social policy ensuring the participation of everyone in the national income and safeguarding a satisfactory standard of living.

5. Within the context of these development priorities, the country programme places its major emphasis on assistance to industrial development activities, human settlements planning, and natural and human resources development. The major thrust of the second cycle programme was in the industrial sector; some 50 per cent of the IPF was allocated to industrial development projects, and in the third cycle this priority is also reflected, with some 27 per cent allocated to industrial services, industrial training and tourism development. Human settlements, notably and almost entirely represented by the Nicosia Master Plan project, represents the second largest sector in the third cycle programme (18 per cent). Major large-scale water conservation projects, begun in the first and second cycles, have almost reached completion. While the portion of the second cycle IPF allocated to natural resources and energy was 26 per cent, in the present programme the proportion is 12 per cent.

6. In order to relate UNDP technical assistance resources to the foregoing development strategies, the Government was guided by the following three major inter-related factors: (a) the catalytic role of UNDP technical co-operation; (b) the need for concentrating on areas which constitute crucial factors for the increase of national self-reliance; and (c) the need to ensure the optimum impact of the multiplier effect of the assistance provided through cost-effective measures applicable to limited IPF resources.

7. It should be noted that technical assistance, though relatively small in financial terms, represents a significant ingredient in the development process in that it provides for selective inputs which would otherwise be difficult to obtain.

Cyprus has traditionally utilized short-term specialized consultancy services (an average of 80 per cent of the second cycle IPF), while calling on UNDP resources to a much lesser extent for training abroad (2 per cent) and equipment (16 per cent). It is expected that similar proportions will be reflected in the third cycle. National consultants and professionals are also being drawn upon to an increasing extent.

8. One interesting feature of the programme is the degree of linkage between UNDP-assisted projects and projects receiving World Bank and bilateral assistance. Five projects totalling \$332,000 are providing direct support to World Bank-funded investment projects or, in one case, to a project which is about to receive World Bank funding. The latter project is the energy conservation and development project, for which the World Bank follow-up project entitled "Renewable Energy and Conservation" is in the final stages of preparation with an appraisal mission having just completed its work. The UNDP project, which will be phasing out during 1983, is providing essential support for the initiation of the World Bank-assisted project. The other projects of this type which are included in the programme are the Vasilikos-Pendaskinos Irrigation project, the Paphos Irrigation project, the Nicosia-Limassol Highway project and the Monitoring and Evaluation of the Pitsilia Integrated Rural Development project. Links with bilateral assistance programmes include close co-operation between the UNDP-assisted project for the control and eradication of animal infertility diseases and the assistance in animal health provided by the government of the Federal Republic of Germany.

#### A. General development issues, policy and planning

9. In addition to completing an ongoing project in municipal financial systems, the Government intends to initiate a management audit techniques training programme and to introduce environmental management and legislation in support of the Environmental Conservation Section of the Ministry of Agriculture and Natural Resources. Allocations total \$12,000 for the ongoing project and \$304,000 for new projects.

#### B. Natural resources

10. Completion of two water conservation and irrigation projects in the Vasilikos-Pendaskinos and Paphos areas will require approximately \$150,000 in the third cycle. A new small-scale project is foreseen for hydrological data acquisition and processing. Implementation, with World Bank assistance, of an energy conservation and development programme is envisaged. Technical assistance under the IPF for this project began in 1974 and an allocation of \$100,000 is foreseen for its completion in this cycle.

#### C. Agriculture

11. Two projects in this sector will be completed early in the country programme period: evaluation of the Pitsilia Integrated Rural Development, and eradication of animal infertility diseases. A total allocation of some \$47,000 will be required for final activities.

#### D. Industry

12. Additional assistance will also be required for the continuation of the project in handicrafts promotion, so that advice and assistance may continue to be rendered

to potters for the purpose of improving both the quality of their products as well as of diversifying the lines of their production. A total of \$110,000 has been set aside for this purpose.

13. The Government foresees small-scale undertakings in the fields of industrial training (under the Industrial Training Authority), export promotion and tourism, for which a tourism development study will be carried out.

14. Follow-up assistance to the completed project, Industrial Development Services will be required in order to increase, inter alia, industrial production, advance the technological base of the industry and assist in achieving better and more useful utilization of available raw materials. Some assistance will also be required in order to help small-scale industries in overcoming the problems which are being encountered at present. An amount of \$500,000 has been programmed for this project.

15. Total resources allocated to this sector are \$118,000 for ongoing projects and \$810,000 for new projects.

#### E. Transport and communications

16. Continued supervisory services to the Ministry of Communication and Works in connection with the construction of the Nicosia-Limassol Highway will be required early in the programme period. Some \$60,000 is allocated for the remainder of the project. A small-scale project is also foreseen for improved radio frequency management and consultancy services will be requested, fully funded by cost sharing, to assess needs for a container terminal in the Limassol Port.

#### F. Human settlements

17. The ongoing project, Nicosia Master Plan, aims at improving the present and future habitat and human settlements conditions of the inhabitants of Nicosia through the implementation of a master plan. It is envisaged that a short extension of the project will be required. Depending on the findings of the ongoing project, a follow-up phase may be necessary. A total of \$560,000 has been programmed for this assistance.

18. Small amounts of funds will be required in the programme period for completion of UNDP-financed projects in housing, land development and town planning. A total of \$80,000 will be required.

#### G. Other

19. Ongoing projects in thalassaemia prevention (health sector) and applied agrometeorology (science and technology sector) will require some \$136,000 for completion in this cycle. New projects are foreseen in the employment/manpower development sector, which will call for \$100,000 for the Mediterranean Institute of Management (MIM) and \$205,000 for the Cyprus Productivity Centre (CPC). Also planned is a new project on social welfare planning, research and education, for which an allocation of \$60,000 has been made. Consultancy services will be requested (fully funded by cost sharing) in the field of trade facilitation.

Annex

FINANCIAL SUMMARY

A. Resources

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IPF and other resources

(i)	Illustrative IPF for 1982-1986	5 000 000
(ii)	Less unprogrammed balance <sup>a/</sup>	(1 000 000)
(iii)	Less authorized budget level for 1982	(1 100 000)
(iv)	Previous IPF cycle balance	550 000
(v)	Other resources: Cost sharing	22 000
Total resources available for programming:		<u>3 472 000</u>

B. Use of resources

Programmed

(i)	Ongoing projects	1 261 000
(ii)	New projects and new phases of ongoing projects included in the country programme	1 711 000
(iii)	Earmarked for specific objectives and activities for which projects are to be worked out at a later stage	<u>500 000</u>
Subtotal:		<u>3 472 000</u>
Total programmed plus reserve:		<u>3 472 000</u>

C. Financial distribution of programme, by sector

	<u>Sector<sup>b/</sup></u>	<u>Ongoing projects</u> \$	<u>New projects</u> \$	<u>Sectoral earmarkings</u> \$	<u>Total</u> \$
02	General development	12 000	304 000		316 000
03	Natural resources	248 000	170 000		418 000
04	Agriculture, forestry and fisheries	47 000	-		47 000
05	Industry	118 000	810 000		928 000
06	Transport and communications	60 000	51 000		111 000
07	Trade	-	11 000		11 000
09	Human settlements	640 000	-		640 000
10	Health	12 000	-		12 000
12	Employment		305 000		305 000
14	Social conditions and equity	-	60 000		60 000
16	Science and technology	124 000	-		124 000
17	Other (multisectoral)			500 000	500 000
TOTAL		1 261 000	1 711 000	500 000	3 472 000

<sup>a/</sup>Representing 20 per cent of the illustrative IPF which has not been taken into account for programming.

<sup>b/</sup>According to ACC classification.

