

Governing Council of the United Nations Development Programme

Distr. GENERAL

DP/CP/POL/4 10 March 1986

ORIGINAL: ENGLISH

Thirty-third session 2-27 June 1986, Geneva Item 5 (b) of the provisional agenda

PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR POLAND*

Programme period	Actual resources progr	Actual resources programmed \$				
1987-1991	IPF for 1987-1991	3 300 000				
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^{*}Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) distribution of new country programme by sector.

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

- 1. During the period 1979-1982, Poland experienced a deep economic crisis and the national income fell in 1982 by 25 per cent compared with 1979. In 1982 the downward trends were stopped and the three-year plan for 1983-1985 was elaborated; its main objective was the restoration of growth. The plan has been fulfilled as the national income (produced) is estimated to have grown by 15 per cent instead of the 10 per cent envisaged for the period. This is due mainly to the results achieved in agriculture and the increase in industrial output. However, national income per capita will still be some 10 per cent lower than in 1980.
- 2. The national plan for 1986-1990 envisages that economic growth will continue in the years of the plan. However, this will take place in unfavourable conditions a rather small increment of labour force and obsolescence of machines and equipment owing to a drastic reduction of investment outlays in 1979-1982.
- 3. In the medium and long terms, Polish economic development will depend substantially on the management of its foreign debt and the restoration of normal economic relations with all Governments and business circles. Poland intends to solve its external debt problems by means of specific policy measures coupled with rescheduling agreements with the creditor countries and private banks. Poland, aware of its financial obligations, finds it imperative to link the rescheduling agreements with the opening up of new credit facilities. Poland has also applied to join the International Monetary Fund (IMF).
- 4. In spite of vigorous remedial action which resulted in a considerable improvement of Poland's economic performance, many external and internal imbalances still remain. This background determines the main plan priorities and strategies.

B. National development strategies

- 5. To overcome these difficulties, emphasis is placed in the plan on the modernization of the production process and the acceleration of scientific and technological progress. It is expected that the latter will contribute to greater economic efficiency and structural adjustment in Poland's economy. With this aim in view, efforts to improve Poland's position in the international division of labour will continue. Further, it is envisaged that in 1990 it will be possible to restore consumption to the 1980 level. The plan also aims at restoring the supply/demand balance in the domestic market and reducing inflation to a one-digit level.
- 6. To attain the prescribed objectives, further economies in the use of energy and raw materials will be needed. Two thirds of the increment in industrial output in fact is scheduled to be achieved through productivity, since the number of people at the point of attaining working age is not sufficient to bring about any rise in the labour force.

- 7. It is assumed that the intensive growth pattern will be achieved as a result of profound economic reforms introduced in Poland since January 1982. Over the last four years the Polish Government has introduced a number of laws, regulations and directives which are intended to bring about a major reform of economic mechanisms.
- 8. The basic goal is to ensure rational operation of economic units at all levels while enhancing at the same time their initiative and making them more competitive, including internationally. Stress has been laid on more decentralized decision-making, more flexible prices and greater autonomy in enterprises. Allowing for the unfavourable economic conditions, the results already brought about by the reforms are on the whole positive, encouraging further action in this direction.
- 9. One of the key factors for the future growth prospects of the Polish economy is the development of multifaceted co-operation and acceleration of economic integration processes with the Council for Mutual Economic Assistance (CMEA) countries.
- 10. Further export expansion will, if successful, bring about a considerable surplus in convertible currency, while the deficit with CMEA partners would be gradually reduced. In order for this to be achieved, national income and industry sales will have to grow on average by 3.5 per cent yearly, total agricultural output by 2 per cent and investment outlays by 4.6 per cent.
- 11. In agriculture and food production, great attention is paid to the determination of an appropriate agricultural policy to increase the availability of food and bring about greater food self-sufficiency. In support of this policy, it will be necessary, among other things, to modernize and speed up the development of agricultural and food industries as well as industries manufacturing agricultural means of production. Such organizational and investment projects should limit losses of farm products at the storage and food processing stages. It is also expected that the improved economic mechanism will bring about structural changes in agriculture, namely the gradual elimination of farms with low economic returns.
- 12. In industry, the aim of the strategy is to increase industrial output further, mainly by speeding up and strengthening technological development. Industries expected to achieve the best results from the point of view of economic efficiency and increase in exports have been selected for accelerated growth.
- 13. Environmental considerations have been taken into account at all stages of economic planning and constitute therefore an important element of national development strategies.

C. Technical co-operation priorities

14. In support of the above strategies, eight areas have been identified for technical co-operation and enjoy the highest priority. These are described in chapter II below.

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

II. THE COUNTRY PROGRAMME

A. Assessment of current country programme

16. The UNDP assistance under the current country programme for Poland is relatively small as compared with national means for social and economic development and is concentrated on a few carefully selected areas, namely: natural resources, agriculture, industry, transport, health and employment. The scope was further reduced by the decision to programme at 55 per cent of the IPF. None the less, UNDP assistance plays a very useful and important role in the solution of many acute sectoral problems.

Natural resources

- 17. To provide the country with adequate liquid fuel through the development of technologies for coal gasification, pyrolysis and liquefaction, the Government launched, in the 1970s, a long-term programme for coal conversion, using the country's extensive deposits of coal. The UNDP-supported project for integrated coal conversion, successfully completed in 1984, and the present follow-up project for the liquefaction of coal are only a small part of the Government's long-term programme. Under the former project, research workers and engineers were trained in coal gasification and pyrolysis technologies and the suitability of Polish bituminous and brown coals for gasification was evaluated. In the liquefaction area, under the current project, the aim is to determine ways of converting high-sulphur bituminous and brown coals into synthetic fuels by carrying out research and development programmes on a process development unit for direct hydrogenation of selected types of coal to produce liquid products. The construction of the unit is well advanced and operability is to be tested before the end of the current cycle.
- 18. The activities carried out with UNDP assistance in this sector remain closely related to the country's development objectives, overall strategy and priorities.

Agriculture

19. The high priority assigned in the current national plan to agriculture and nutrition in Poland required the inclusion in the current country programme for Poland of two projects for the intensification of plant-breeding and seed production - triticale breeding - and improvement in the production and quality of milk. Extensive programmes of research continue under the two projects. The advances made under the project for the intensification of plant-breeding and seed production are very encouraging to the Government which is hopeful of growing triticale on one million hectares by 1990. The

project co-operates fully with the International Centre for Maize and Wheat Improvement (CIMMYT), Mexico, and the Centre expects to continue the programme of crossing heavily its spring triticale with Poland's winter triticale to improve the spring type. CIMMYT also predicts that the results of this project will be recorded in history as one of man's really great achievements vis-a-vis an agricultural crop.

20. Although the project for improvement in the production and quality of milk is somewhat behind schedule, owing to delays in the construction of milk collection centres and the training centre for extension workers, its objectives and activities remain valid and relevant. Poland is one of the large producers of milk in Europe, and milk production constitutes a very important branch of the national economy. However, milk production is dispersed among approximately 2 million farmers in the country and it is this dispersion and handling problems as well as the hygienic quality of milk that have been addressed by the project with relatively good results so far. The importance attached to milk and milk products can also be explained by the insufficiency of meat production as a source of animal protein in the country.

Industry

21. The same high priority assigned in the current national plan to agriculture and nutrition required a quantitative increase in the production of agricultural machines and the adaptation of these machines to the specific needs of small producers in the agricultural sector. The UNDP-supported project to strengthen research and testing facilities at the Industrial Institute of Agricultural Engineering in Poznan responds to these needs and provides support to the Government in this area.

Transport

22. The decision to continue the regional project for the North-South Trans-European Motorway (TEM) into the third cycle entailed the continuation of activities of the UNDP-supported national TEM project to finalize studies on the testing of the Polish section of the motorway. The determination of the Government to implement the project and to integrate its transport network better with that of Europe remains very strong despite serious economic difficulties which slow down considerably the actual construction of the Polish section of the motorway.

Health

23. Fighting cancer remains an important element of Poland's health protection programme as do the objectives of limiting the main employment-related hazards and decreasing expenditures relating to disability pensions. In these two areas, the assistance provided by UNDP, even though it is a part of larger programmes financed by the Government, is used effectively and is necessary for helping achieve the objectives of these larger programmes.

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Human resources training

24. The five "umbrella" fellowship projects financed under the current country programme enable the specialized cadres in Poland to upgrade their qualifications and provide much needed expertise in the above and other sectors of the economy, including air transport safety.

Conclusions

25. All the activities programmed in the current country programme are being carried out (at 55 per cent) and remain relevant to the established national development objectives. It is expected that all these activities will be completed by the end of the cycle as originally scheduled with the exception of three projects which will continue into 1987-1988, at no extra cost to UNDP; these are the projects for (a) improvement in the production and quality of milk, (b) the liquefaction of coal, and (c) cancer control.

B. New programme proposal

26. Taking into consideration the strategies of the plan for 1986-1990 and the achievements of the current UNDP country programme, the fourth country programme for Poland will focus on technical co-operation in agriculture, industry, employment and human resources development. In submitting this programme, the Government is conscious of the relevant global priorities and strategies of the United Nations system such as the objectives of the International Drinking Water Supply and Sanitation Decade (IDWSSD), the strategy of achieving health for all by the year 2000 and food security. The Government is also determined to promote Poland's co-operation with countries representing different economic and social systems and different levels of economic development. In this connection, the proposal also reflects Poland's position on international technical co-operation presented in the United Nations General Assembly, the Economic and Social Council and in the UNDP Governing Council.

Increase in agriculture and food production

27. Polish agriculture at present provides employment for about 25 per cent of the population. The value of its output amounts to over 10 per cent of the national income. With its structure and high sensitivity to sharp weather changes, agriculture has been developing at a considerably slower pace than other sectors. However, during the last three years, the output of the sector grew considerably. Agriculture and food processing will continue in 1986-1990 to enjoy high priority. Therefore, the Government will concentrate efforts on further increasing the sector's production by using improved and tested seeds such as triticale, and by improving animal breeding technology; supplying the sector with new machinery, fertilizers and by introducing new incentives (credit facilities, taxation policies, pricing systems, etc.).

28. Four projects in this sector require UNDP assistance:

Projects

- 29. Phase II of the UNDP/FAO project POL/81/005, Intensification of Plant Breeding and Seed Production Triticale will be completed in the first quarter of 1986. The achievements of phase II strongly suggest a need for a third phase to complete the job of making triticale into a successful crop. Specifically, these needs are: utilization for animal feed and human food, products that can be made with triticale, quality grades for trading purposes both domestic and international, rules for such trade, storage conditions and other marketing problems. For these needs, it is proposed that an amount of \$100,000 from UNDP funds be earmarked.
- 30. For improved yield models for basic crops based on information obtained by remote sensing and for a better prognosis of basic crop estimates at the regional and country levels, it is proposed that UNDP inputs in the amount of \$500,000, be allocated to elaborate methods for soil moisture determination as well as an information system for agricultural land use. Information about present soil moisture content and ability to forecast its changes are important elements influencing crop estimates. Information of that type is mainly obtained by the indirect method, on the basis of meteorological data acquired from the ground observation stations. Point observations can give the spatial distribution of soil moisture content only through extrapolation. The image obtained presents only roughly the real situation, and this can lead to non-optimal economic decisions concerning agricultural production. latest science and technology developments provide new tools, supplementing the present methods of environment monitoring. These are remote sensing satellites. Satellite images, supplying data concerning soil moisture. vegetation temperature, land cover and use type, snow coverage, supplemented by ground observations, should make it possible to extract information about present soil moisture content over large areas. The aim of the proposed project is to create a system which would make it possible to determine present and predicted soil moisture content, being based on characteristics of agricultural environment and taking into relationships among changing environmental components.
- 31. Assistance from UNDP is also required in the amount of \$400,000 for improved hog breeding technology for the purpose of increasing meat production in the country. In addition to improved feeding, breeding and management techniques, special activities are planned using immunogenetic methods in breeding. Factors limiting pork production in the country are insufficient quantities of home grown (roots, grains) and compound feeds (protein concentrates); low pig performance owing to poor balanced diet, poor housing conditions, unsatisfactory knowledge on the part of pig producers of the latest developments in the area of pig management and feeding; and insufficient use of genetic upgrading. The proposed project aims at increasing traditional feeds production, introducing corn production and corn crop mix preparations as a main component of the diet of pigs in some regions, improving environmental conditions and improving genotypes.

32. Similarly, an equal amount of \$400,000 from UNDP funds is proposed for the intensification of pond fish production in Poland. Shortage of animal albumen in food in the country calls for intensification of animal production including fish culture. There are at present 60,000 hectares of fish ponds and the medial yield of carp is 400-500 kilograms per hectare, which is relatively low. The proposed project is designed to increase fish production through new production techniques and technology, determination of feed composition, stability of pellets in water, water aeration, and environmental and health control.

Linkages

- 33. The proposed phase III project for post harvest triticale operations will continue to co-operate fully with CIMMYT. The project will also co-operate closely with the regional project for crop genetic resources (RER/81/008).
- 34. The project for fish culture will eventually seek affiliation with the regional network of the Aquaculture Research and Development Centre and the international network of feed information centres.

Acceleration and strengthening of development of industrial research activities

- 35. Poland intends to give new impetus to technological development and applied industrial research. To this end, Government policies aim at increasing financial support for technological activities (2.2 per cent of the national income in 1986 and 3 per cent in 1990) and introducing incentives to encourage industrial companies to develop new technologies; and concentrating research on some carefully chosen industry subsectors such as bio-technology, material engineering, electronics, robotics and energy conservation. It is expected that bio-technology will lead to increased activities in the chemical sector and will contribute to the medical and diagnostic sectors. It is also expected that bio-technological activities will have a significant impact on agriculture (ferlilizer-pesticide production) and will assist in the protection of the environment.
- 36. For the implementation of these policies, the Government created the State Office for Technological Development in January 1985.
- 37. Two projects in this sector require UNDP assistance.

Projects

38. To speed up the development of fundamental research in the field of bio-technology with emphasis on genetic engineering, bio-chemistry, molecular biology and microbiology and the application of research results in chemical industries including pharmaceuticals, food industry and agricultural production as well as in health care and the protection of the environment, it is proposed that an amount of \$250,000 from UNDP be earmarked for the purpose.

39. To strengthen the Institute of Industrial Organic Chemistry to carry out research on synthesis, formulation and application of pesticides so as eventually to curb imports of pesticides, it is proposed that an equal amount of \$250,000 also be earmarked from UNDP funds.

Linkages

40. The above projects will be conducted in full co-operation with the regional projects on the control of chemicals (RER/82/002) and industrial energy conservation (RER/83/003).

Improvement of conditions of employment by strengthening research on occupational safety

41. The Polish economy has undergone a process of rapid industrialization, which entailed an increase in occupational risks. About 2.3 million persons in Poland work in conditions potentially harmful to their health and life, particularly those exposed to toxic substances, excessive noise, fibres and dust, excessive vibration and arduous micro-climatic conditions. In some branches of industry, each year 1 in every 50 workers is affected by occupational disease or is absent owing to work accidents. Cases leading to premature retirement of persons of working age are particularly serious and have affected industrial productivity adversely. The problem therefore is to mitigate the severe results of improper working conditions. The activities of the Central Institute for Labour Protection aim at exactly that.

Projects

42. An amount of \$300,000 is proposed for the continuation under a new phase of the activities started under project POL/82/006, Development of the Central Institute for Labour Protection, designed to limit main hazards at work posts and to decrease expenditures relating to disability pensions. At the time project POL/82/006 was approved, owing to shortage of funds in the third cycle, it was envisaged that activities would continue in the fourth cycle.

Upgrading of skills of specialized cadres

43. An important factor for the attainment of the objectives of the 1986-1990 plan and for that matter the objectives of the UNDP country programme for the fourth cycle will be the availability of specialized cadres to manage and give support to the technological activities envisaged in the plan. Their number has lately been decreasing on account of shortages of funds for their training abroad. UNDP-funded fellowships are practically the only possibility for such training apart from those fellowships obtained under bilateral agreements on scientific and technological activities.

Projects

44. To upgrade the qualifications of specialized cadres, part of the UNDP funds under the fourth cycle IPF is intended for training abroad. It is, therefore, proposed that "umbrella" fellowship projects in the following fields be financed up to the amount of \$800,000 from the UNDP allocation:

- (a) Energy generation and conservation: Maintenance of big power units, forecasting of energy utilization, fluidized combustion technology for low-caloric fuels and energy conservation measures;
- (b) <u>Nuclear energy</u>: Safety problems in nuclear power systems, legal questions in nuclear energy systems and environmental protection in nuclear energy generation;
 - (c) Waste recycling: Utilization and recycling of waste materials;
- (d) <u>Material engineering</u>: Technology and utilization of new construction materials;
- (e) Chemical technologies: Coal conversion technologies, carbo-chemical technologies, petro-chemical technologies and bio-technologies in chemical industry and pharmaceuticals;
- (f) Animal-breeding: Zootechnics, fodder technologies and production and animal-breeding systems;
- (g) Food-processing technologies: Plant and food preservation techniques, catering, meat and food production processes and milk and dairy production processes;
- (h) <u>Communication systems</u>: Communication systems and technologies and satellite telecommunication systems;
- (i) Air traffic safety: Air traffic control systems, air safety measures and up-to-date air safety computer systems;
- (j) <u>Health care</u>: Research on the health problems of maritime workers and training at different levels of health professionals;
 - (k) Restoration of old cities: Training in restoration techniques;
 - (1) Tourism: Training tourist managers;
- (m) Managerial techniques: Training in modern managerial techniques, system of administration and management of national economic sectors and computerization of banking operations.

C. Unprogrammed reserve

45. For unforeseen contingencies, an amount of \$300,000 is set aside as an unprogrammed reserve.

Annex

FINANCIAL SUMMARY

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1.	ACTUAL	KESUUKUES	LAKEN	TNIO	ACCOUNT	ruk	PROGRAMMING	

	Α.	UNDP-administered sources	\$		\$
		Third cycle IPF balance Fourth cycle IPF Subtotal IPF Special Measures Fund for Least Developed Countries Special programme resources Government cost-sharing Third-party cost-sharing Operational funds under the authority of the Administrator UNDP special trust funds Subtotal, UNDP non-IPF funds	3 300	000	3 300 000
	В.	Other sources			
		Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise Parallel financing from non-United Nations sources Subtotal, other sources	- -		
		TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING			3 300 000
II.	USE	OF RESOURCES			
		Ongoing projects New project proposals Programmed reserve Subtotal, Programmed resources Unprogrammed reserve	3 000	000	3 000 000 300 000
		TOTAL USE OF RESOURCES			3 300 000

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