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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

SECOND COUNTRY PROGRAMME FOR ALBANIA

UNDP assistance requested by the Government of Albania for the period 1982-1986

Illustrative IPF for 1982-1986: $10,250,000.

INTRODUCTION

1. The programme for the period 1982-1986, which corresponds to the third UNDP programming cycle, takes account of the aims and objectives of the seventh five-year plan of the People's Socialist Republic of Albania (1981-1985). The one-year difference between the five-year plan and the UNDP programming cycle has made it easier to identify areas of co-operation, which are based on already established priorities. UNDP contributions have thus been earmarked for sectors that are of major importance to the implementation of the national plan.

2. Programming was carried out in consultation with UNDP, on the basis of Albania contacts with organizations of the United Nations system and the views expressed by representatives of those organizations during missions to Albania.

3. The indicative planning figure was set by the Governing Council at US$10,250,0 80 per cent of which (US$8,200,000) is available for programming. The carry-over from the second cycle which amounts to US$4,379,000, brings the total available for

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1/ The previous country programme for Albania was issued under the document symbo DP/GC/ALB/R.1.

programming to US$12,579,000[2/].

4. The seventh five-year plan of the People's Socialist Republic of Albania gives high priority to the high-level scientific and technical training needed to sustain accelerated development efforts and help place Albania at an advanced technological level. In view of available resources, the number of projects is limited, but they aim at high-level scientific training designed to strengthen the technological infrastructure and promote the accelerated modernization of the economy.

5. Because this is the first programme undertaken since Albania signed the exchange of letters constituting the basic agreement on the UNDP contribution, the Government considered that it might be helpful to provide the following basic information on the country's economy and development objectives:

> Albania covers an area of 28,748 km^2 and has a population of 2,671,300 (density: 92.9 inhabitants/km^2). Industry employs 37.9 per cent of workers; agriculture, 22 per cent; construction 8.5 per cent; education and culture, 8.2 per cent; business, 6.6 per cent; transport and communications, 5.7 per cent; and health services, 5.6 per cent. With regard to natural resources, Albania's chrome deposits make it one of the world's leading producers. The country also has petroleum which it uses both for its own needs and for export. The metal works now being built will enable it to process the iron ore it possesses. The Albanian subsoil contains various other ores offering a sound basis for industrial output. Industry has, moreover, been growing steadily every year, with the increase amounting to 6 per cent a year during the last five-year period (1976-1980). The country has been self-sufficient in cereals since 1976 and agricultural output increased by a total of 21.4 per cent during the last five-year period. Albania has no balance of payments deficit, since exports cover imports. The gross national product increased by 24.4 per cent during the sixth five-year plan.

6. It is expected that by 1985 national output will have increased by about 33 per cent and that the economy will have improved on the basis of performance of its two main branches, industry and agriculture. Industrial output should achieve an annual average growth rate of 6.4 per cent. Further industrial growth will be achieved through the expansion of existing branches and the establishment of new heavy, light and food industries. Industry will also be strengthened by restructuring, which will make it possible to introduce new technical processes. Approximately half the UNDP resources programmed is earmarked for the application of modern science and technologies to industry, and another 18 per cent is earmarked for modernization of university education in scientific disciplines. Total agricultural output over the five-year period should increase by about 32 per cent compared with the preceding five-year period. The objectives are to reduce imports of raw materials and certain agricultural products and to increase per capita consumption. These

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2/ The exchange of letters between the Government and the Administrator of UNDP, which constitutes the agreement between the parties on technical co-operation for development, took place in February 1981. The formulation of a programme involving large amounts began only after that date; i.e., in the second half of 1981.

objectives will be achieved by broadening the technical and material base for production and by using the latest scientific breakthroughs to step up agricultural and animal husbandry output. Accelerated growth is also expected in other economic sectors and in the cultural sector.

7. The equipment component of the programme as presently planned is expected to be around 60 per cent of the total. In consultation with the Government, it has been agreed that while the broad objectives and possible orders of magnitude of projects are given in this document, formulation missions - in some cases inter-agency - will be fielded to examine the infrastructure in detail and to recommend the system or systems in computer hardware which would be best suited to the needs of the Government. The considerable contribution to telecommunications is to support a pilot project which, after training and depending on the success of trials, will be reproduced by the Government for nationwide application . Other equipment is in the category of scientific instruments for research. There is a large cadre of trained technical specialists in Albania, and further training is foreseen as part of each project.

8. Participation in regional activities is envisaged in two sectors: seismology and telecommunications. A UNDP contribution to a national seismology project is under study (should other funds become available), and a telecommunications project is already included in the present country programme. This ensures linking activities at national and international levels. The successful achievement of the Government's planned activities in telecommunications will be a significant contribution to the 1983 International Communications Year by assisting in completing the South-East European Hertzian Waves Network.

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

9. The areas selected for co-operation with the United Nations system reflect some of the top priorities of the 1981-1985 national development plan: higher education to sustain industrial and agricultural development; scientific research aiming at the achievement of development objectives; and management and telecommunications technology.

10. The Government decided to use the funds made available by UNDP for a few projects that would take priority in the context of the development plan rather than trying to cover a large number of sectors and, thus, scattering available resources. Moreover, since the plan provides for the introduction of new technologies in Albania, UNDP contribution during the initial phase will be used to introduce such technologies and to adapt existing ones. The multiplier effect of each of the projects chosen is assured because the agencies involved play a major role in economic life generally, and because the activities envisaged are investment-oriented pilot projects.

A. Education

11. The rapidity of the country's economic development and the resulting requirements as regards the spread, acquisition and application of scientific and technical skills, makes it necessary to improve and broaden the laboratory basis of

education with the assistance of the organizations of the United Nations system.

Higher education - science

12. In the context of accelerated economic development, foreseen in the five-year plan and envisaging the establishment of a diversified industrial-agrarian economy based on the country's natural resources, particular importance is ascribed to higher education and applied research. Seeking to profit from the most recent experience abroad in the modernization of higher scientific education, the Government would like to attain the co-operation of UNDP in this field.

13. The Government accordingly has in mind a project which would serve both to strengthen university training in basic scientific disciplines and, to train engineers and researchers with a sound grounding for applied research, in view of the growing needs of industry. In connection with UNDP's contribution, particular attention will be given to pedagogical methods and techniques, including audiovisual methods, and to the teaching of languages through extensive use of language laboratories. The UNDP contribution is estimated at $2,250,000.

Higher education - agriculture

14. Another, similar training project for the Higher Agricultural Institute and for veterinary medicine is to be designed to strengthen training and thus to continue to support the improvement of agricultural production and of the processing industries, which are to be developed at an accelerated pace. This project envisages a UNDP contribution of $500,000.

B. Transport and telecommunications

15. The national telecommunications system will be developed in keeping with the country's economic and social development under the seventh five-year plan. The objective of the UNDP contribution is to enable the Government to modernize the telecommunications system, which no longer satisfies the country's development requirements, and to bring it up to the standard of telecommunication system in most European countries.

16. The establishment of a modern network, under the aegis of the General Directorate of Posts and Telecommunications, is to provide all of the country's important towns with a sufficient number of communication lines for reliable and uninterrupted service, and make possible their direct linkage with the international network.

17. A feasibility study is to be made in a preparatory phase in order to determine training and equipment needs. It will be followed by the installation and testing of three lines (North, South and Southwest) covering three of Albania's 26 telecommunications districts, allowing also for the training of technical and other personnel for the extension of the system to the rest of the country, which will be undertaken by the Government in the framework of its telecommunications development plan. The UNDP contribution will amount to $2,500,000.

18. In connection with the modernization of telecommunications, the Government /..

wishes to benefit from scholarships in this field, the cost of which is estimated at $170,000 for the duration of the third programming cycle.

C. Science and technology applied to industry

19. Just as rapid development and modernization of the economy demand strengthening of higher technical education, so the country's industrial and agro-industrial infrastructure demands the injection of more modern methods of production, of new or as yet little used technologies in Albania, and even of advanced techniques to accompany accelerated industrial development. The following three projects are concerned with activities of this kind.

Assistance to the Mechanical Research and Engineering Institute of the Ministry of Industry and Mining

20. The Institute is responsible for seeking concrete solutions to the scientific and technical problems arising in the various branches of industry. The Government desires UNDP's contribution for the establishment of an electronics section for systems of control and automatic regulation of industrial processes.

21. The UNDP contribution, which will include the provision of consultancy services, fellowships and equipment, will involve the establishment and organization of the Electronics Section, and the training of personnel abroad and on the spot, using for the purpose equipment partly furnished by the project. The UNDP contribution is estimated at $700,000.

Assistance to the Computer Centre of the Academy of Sciences

22. Under the five-year plan, the Computer Centre of the Academy of Sciences is to help with the rationalization of the work done by the scientific, technical and industrial institutions of the country, by supplying the necessary means for data acquisition, storage and processing. At present, Albania's data-processing system is based on second generation computers which are no longer capable of meeting existing needs and even less so for future needs in the country's various economic and scientific activities, for which data-processing is indispensable.

23. The Computer Centre is the only one in Albania for data-processing services. It is expected that 25 centres will have to utilize data-processing in the following fields: scientific and technical information, seismology, hydrology, meteorology, nuclear physics, energy, machinery, textiles, iron and steel, chemistry, refining, agriculture, irrigation, stock-farming, construction, health, and land and sea transport.

24. It is necessary, therefore, to re-examine the entire data-processing system with a view to raising it,by the use of the most advanced computers and programmes, to the level required for coping with the demand in the coming years. It is envisaged to start this project by organizing a mission which, with the help of the organization most directly concerned, will make it possible to determine the data-processing system, or systems, that would best serve Albania's growing needs in this respect, and to lay down the training, utilization and maintenance programmes related thereto. UNDP assistance amounting to $3,350,000 is envisaged under this project, to which the Government attaches priority.

Assistance to the Nuclear Physics Institute of the Academy of Sciences

25. During the last few years Albania's Nuclear Physics Institute has received scholarships from the International Atomic Energy, and staff of the Institute have visited IAEA headquarters and participated in various meetings concerned with nuclear-analysis techniques and methods. These have proved to be most useful in Albania, particularly for the identification of the country's natural resources and in such fields as biology, medicine, metallurgy, etc.

26. For ten years, the Nuclear Physics Institute has, with the equipment available to it, actively pursued research activities relating to fertilization, germination, disinfection and seed stimulation, and has also done research in geology, sedimentology, hydrology, etc. To pursue such research it has become necessary for the researchers and technicians to have a source of neutrons that would make possible continuous and more advanced work. A proposed project foresees the training of staff and the supply of a low-power reactor (a model using not very enriched uranium available commercially) which would be used, inter alia, for the production of short-life radio-isotopes. The radio-isotopes thus produced would help the staff of the Institute to acquire further training and to become familiar with modern methods of utilizing nuclear particles for research and control purposes, methods which are much more precise than has been possible hitherto.

27. The amount of $1,000,000 will be allocated for small projects in fields not directly affected by the above-mentioned projects and for scholarships and fellowships.

Annex

FINANCIAL SUMMARY

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A.	**Resources**	
	(a) IPF and other resources	
	(i) Illustrative IPF for programme period	10 250 000
	(ii) Carry-over from previous IPF cycles	4 379 000
	(iii) Other resources	-
	(b) Provision for adequate programming	-
	TOTAL	14 629 000
B.	**Use of resources**	
	(a) Programmed	
	(i) Ongoing projects	109 000
	(ii) New projects and new phases included in the country programme	11 470 000
	(iii) Earmarked for fellowships and other small scale projects (continuous programming at a later stage)	1 000 000
	Subtotal	12 579 000
	(b) Reserve	-
	(c) Unprogrammed balance [a/]	2 050 000
	TOTAL	14 629 000

C. Financial distribution of programme, by sector

Sector [b/]	Ongoing projects	New projects	Sectoral earmarkings	TOTAL
	$	$	$	$
03 Natural Resources	29 300			29 300
04 Agriculture		500 000		500 000
05 Industry		700 000		700 000
06 Transport/Communication	55 800	2 670 000		2 725 800
11 Education		2 250 000		2 250 000
16 Science and Technology	23 900	5 350 000		5 373 900
Miscellaneous			1 000 000	1 000 000
GRAND TOTAL	109 000	11 470 000	1 000 000	12 579 000

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming in accordance with the Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126.

b/ According to ACC classification.

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