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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR
MALTA

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

Illustrative IPF for 1982-1986: \$2.5 million.

INTRODUCTION

1. For the third UNDP programming cycle, an illustrative indicative planning figure (IPF) of US\$2.5 million has been established for Malta. Since over-all programme budgets are currently being maintained at an 80 per cent level, the funds that can be programmed for this period amount to US\$2 million. In addition, as a result of slippages in anticipated project expenditure during 1981, it is likely that a certain amount of funds will be carried over from the previous cycle. This amount will be added to a reserve being established under the third country programme, so that some of the unforeseen requirements can be met.
2. The time-frame of the third country programme for Malta coincides with that of the third programming cycle (1982-1986) and is practically co-terminous with

Note: In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, Annex I), the third country programme for Malta is being submitted to the Council without an accompanying note by the Administrator.

The previous country programmes for Malta and the accompanying notes by the Administrator were issued under the document symbols DP/GC/MAT/R.1-DP/GC/MAT/R.2 and DP/GC/MAT/R.1/RECOMMENDATION-DP/GC/MAT/R.2/RECOMMENDATION, respectively.

the recently published (August 1981), Development Plan for Malta: Guidelines for Progress, which covers the period 1981-1985.

3. Although the International Civil Aviation Organization (ICAO) and the World Tourism Organization (WTO) fielded planning missions to identify technical co-operation requirements which could be considered for inclusion in the country programme, and while the recommendations made in their reports have been considered, this document is mainly the result of a continuous dialogue with the UNDP European office and of an assessment of the development priorities established in the new Development Plan for Malta.

4. Inter alia, the Plan envisages that the main thrust of economic expansion during the first half of this decade will be provided by export-led growth in the production of goods and services, particularly in the economically crucial manufacturing industry; in ship repair and shipbuilding; in food production and the services sector, including tourism and transshipment. It also foresees continued expansion of the physical and social infrastructure that will contribute effectively to the country's growth process and to improvement in the quality of life. The third country programme reflects most of these priorities and places major emphasis on technical co-operation in ship repair and shipbuilding, development of transshipment, water resources development, irrigation and port development. Furthermore, in drafting this country programme, the Government has been conscious of the relevant global priorities of the United Nations system such as the objectives of the International Drinking Water Supply and Sanitation Decade (IDWSSD) as well as the strategy for achieving Health for All by the year 2000.

5. Because of inherent human resources and budgetary limitations in Malta, under technical co-operation programmes which allow a reasonable measure of flexibility in the type of inputs that can be delivered, emphasis is placed on the delivery of expert and consultancy services. As under previous country programmes, the provision of such services is a characteristic of the present programme.

6. Apart from ongoing activities, under the third programme it is planned to include mainly the following categories of projects:

(a) Those arising out of recommendations made under previous UNDP-financed projects or directly connected (i.e. subsequent or related phases) with such projects;

(b) Those in respect of which the expertise and support services of the executing agency concerned are not only useful but also essential for the formulation and implementation of the Government project; and

(c) Those in respect of which funds have already been made available by the executing agency out of its own resources, but where additional IPF financing is now considered to be necessary.

7. This approach has a number of obvious advantages. In particular, it gives credit to the importance of continuity in technical co-operation activities, which the Government considers to be one method of maximizing the limited resources available.

8. In spite of the constraints posed by the limitations of the third cycle IPF, the implementation of the country programme would again engage the United Nations development system in a reasonably wide range of priority development activities and would once more ensure a significant UNDP contribution towards a better quality of life for the Maltese people.

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

9. A total of nine projects, of which seven are at present expected to be completed during 1982, bridge the second and third programming cycles. Present budgetary commitments in the third cycle for these projects amount to US\$380,000, and planned supplementary allocations reach an amount of US\$555,960; thus a total of US\$935,960, or 53 per cent of the 1982-1986 programme is allocated to ongoing projects. A major proportion of this allocation is earmarked for port and shipyard development. Minor commitments are carried over in the projects, Development Planning (MAT/79/002), Seismic Survey (MAT/79/004), Skill Training (MAT/80/001) and Insurance Legislation (MAT/81/002).

10. Since the total of approved budgets for 1982 must be kept strictly within the authorized budget level, some of the ongoing project budgets may need to be adjusted so that new activities and important extensions of some assignments can be accommodated.

A. Port and shipyard development

Ongoing projects

Shipyard Development (MAT/74/014)

11. This project has provided expertise for the construction of a shipbuilding yard at Marsa and is at present scheduled for completion in November 1982, with a total UNDP contribution for the year of approximately US\$62,400.

Development of Welding Technology (MAT/79/001)

12. This project has been supporting Malta Drydocks, an established industry and the largest single employer in the country, by making available expert services and training opportunities in welding technology for ship repair and shipbuilding. This is one of the projects which is likely to be extended beyond its current completion date of early 1982: a tentative budgetary allocation of US\$42,700 is therefore being made for the purpose.

Development of Marsaxlokk Harbour (MAT/78/001)

13. This project is likely to be substantially extended beyond its current termination date in September 1982. The UNDP contribution to it has been in the form of engineering expertise, recruited in respect of the first stage of a project for the development of a new large-scale commercial harbour at Marsaxlokk in the south-eastern part of Malta.

14. As indicated in the current (1981-1985) Development Plan for Malta, the

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implementation of this project has been divided into three stages in order to generate a gradual build-up of demand for trans-shipment facilities in the harbour. As a result of the phasing of the construction schedule, a range of facilities to be created in the first stage will be put into service while the second and third stages are under way.

15. Under the first stage, which is expected to be completed by 1983, the programme of marine engineering works will cover a general cargo quay, a berth for RORO vessels and service berths. The second stage, in respect of which works have begun during the second half of 1981 with technical assistance from the People's Republic of China, comprises the construction of a breakwater arm to provide the necessary shelter for the port; it is expected to have reached an advanced stage by the end of 1985. With the protection provided by the breakwater and as the forecast demand for port facilities at Marsaxlokk develops, it will be possible to launch the third stage of the project. This envisages the construction of a container terminal with a throughput capacity of approximately 3.2 million tons annually and of a second general cargo quay to be situated between the first cargo quay and the main breakwater.

16. The ongoing UNDP project is therefore likely to be extended up to the end of 1983 and reactivated at the beginning of 1985 to meet the requirements of the construction schedule. In addition to the existing budgetary commitment of US\$78,400, the Government plans to allocate another US\$497,400 to this project during the third programming cycle.

New project

Trans-shipment and Related Trade Activities

17. This project is directly connected to the development of Marsaxlokk Harbour and is Phase II follow-up to the project, (MAT/79/003), of the same title. The findings of the completed project confirmed the economic feasibility of large-scale trans-shipment in Malta, gave an indication of the over-all pattern that the trade could take and, at the same time, pointed out specific business opportunities and contacts. Some of the recommendations made in the report, however, require further and in depth feasibility studies before the substantial investments required to implement them can be considered. The Government proposes to carry out these activities, for which a total allocation of US\$138,600 is being earmarked under the third country programme.

B. Development, conservation and utilization of water resources

Ongoing projects

Development and Conservation of Water Resources (MAT/78/006)

18. UNDP support under this project has assisted the local substantive organization mainly in the planning and implementation of schemes for the collection, conservation and utilization of surface run-off water for potable as well as for irrigation purposes. The extension of the project, for which an additional allocation of US\$60,000 is estimated, will continue this assistance, which is expected to be completed in 19

Maintenance and Improvement of the Sewerage Network (MAT/78/007)

19. Ongoing activities under this project are concerned with the maintenance of the existing sewerage network and with the operation and maintenance of a sewage purification plant, which is expected to be commissioned during the year. Complementary training for local staff in connection with the operation of the plant is also envisaged. The allocation foreseen at present for this project in the third cycle is US\$70,500.

New projectSewage Purification for Irrigation Purposes

20. Under this project, which is directly linked with the project outlined in paragraph 19, the Government expects to request assistance for the various activities required to adequately manage the distribution and utilization of the effluent from the sewage purification plant for irrigation purposes. Although a number of much smaller sewage purification plants are already in operation in the country, the relatively large-scale level of operations involved in this case (the plant will initially process some 12,500 m³/day of sewage) requires a team of high-level experts which is not likely to be found locally. The Government, therefore, proposes to procure these services under this programme. An amount of US\$389,200 is being reserved for the purpose under the country programme.

C. HealthNew projectDiabetes Prevention

21. The most significant health problem in Malta is the very high incidence of diabetes mellitus. WHO statistics on mortality show that this disease affects 79.2 out of 100,000 inhabitants, compared with the average for Europe of 17.9 per 100,000. Accordingly, with the assistance of WHO and other bilateral donors, during 1980 the Government launched a national diabetes programme with the objective of developing and implementing at the national level the most appropriate services for diabetes prevention and control.

22. The first stage of this programme, which involved an assessment of the nature and magnitude of the problem, has already been completed and the Government now proposes to allocate part of the IPF for assistance to the other two main phases of the programme which will involve: (a) scientific assessment of the causes of diabetes in Malta, and (b) formulation of more efficient prevention and control methods of diabetes in Malta and their application through rationalization of the existing health services structure.

23. The total allocation of US\$170,000 being reserved for this project under the country programme will be utilized over a period of around three years, and will be in addition to other resources that may be made available directly by WHO and other donors.

D. Transportation

New project

Civil Aviation

24. A major new project envisaged under the third country programme is in support of the further development of civil aviation in Malta. With the closure of the British military base on 31 March 1979, the Maltese Government assumed the responsibility for a substantial number of civil aviation activities which had hitherto been carried out by the British military forces.

25. In view of the continuous and fast technological developments taking place under this sector, and because of Malta's position in the southern part of the complex European air traffic system, it is important that the existing level of efficiency and services be maintained. A planning mission, which ICAO carried out in Malta in November 1980 to identify technical assistance and other requirements for the sector, was therefore both necessary and timely. A number of fellowships recommended in the mission report have already been delivered under other technical assistance arrangements and more training awards are likely to be made available during the first two years of this cycle by the same donor. A total UNDP allocation of US\$139,684 is being made under this country programme to cover the cost for the outstanding fellowships and consultancies suggested by the mission during the last three years of the cycle.

E. Other

26. Finally, it must be pointed out that there have been other projects which, over the past few years, have received small-scale direct assistance from certain agencies (e.g. UNESCO and ITU) and following which some additional UNDP financing has been suggested. These possibilities are under consideration and, should resources permit, will be financed out of the IPF. No budgetary allocation can be estimated for them at this stage.

Annex

FINANCIAL SUMMARY

					\$
A. <u>Resources</u>					
(a) IPF and other resources					
(i) Illustrative IPF for programme period					2 500 000
(ii) Carry-over from previous IPF cycles					175 200
(iii) Other resources					-
(b) Provision for adequate programming					
					-
		TOTAL			2 675 200
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B. <u>Use of resources</u>					
(a) Programmed					
(i) Ongoing projects					936 000
(ii) New projects and new phases included in the country programme					837 600
(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)					-
		Subtotal			1 773 600
(b) Reserve					
					401 600
(c) Unprogrammed balance ^{a/}					
					500 000
		TOTAL			2 675 200
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C. <u>Financial distribution of programme, by sector</u>					
<u>Sector</u> ^{b/}	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>TOTAL</u>	
	\$	\$	\$	\$	
02 General development issues, policies and planning	10 000			10 000	
03 Natural resources	91 500	389 200		480 700	
05 Industry	42 700			42 700	
06 Transport/communications	638 300	278 300		916 600	
07 International trade and development finance	30 700			30 700	
10 Health	70 500	170 100		240 600	
12 Employment	52 300			52 300	
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GRAND TOTAL	936 000	837 600		1 773 600	

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.

