

# UNITED NATIONS DEVELOPMENT PROGRAMME



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## COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

### Consideration and approval of country programmes

#### THIRD COUNTRY PROGRAMME FOR YUGOSLAVIA

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

Illustrative IPF for 1982-1986: \$7.5 million

#### INTRODUCTION

1. The third country programme for Yugoslavia covers the period 1982-1986. It has been prepared entirely by the Government and has been designed in accordance with the main development objectives of the 1981-1986 Social Plan of Yugoslavia. The major aims of this Plan are the further development of the self-management system and improvement in export competitiveness, import substitution, utilization of natural resources and the application of research and development to attain higher technological advancement.
2. The illustrative indicative planning figure (IPF) for Yugoslavia for the third programming cycle is US\$7.5 million, of which 80 per cent, \$6 million, has been taken into consideration for programming. Additional resources in the amount of US\$1,212,000 have been carried over from the second cycle. The equipment component

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 Yugoslavia is being submitted to the Council without an accompanying note by the Administrator.

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

is expected to be less than 50 per cent of the programme.

3. UNDP remains the main source of multilateral assistance for technical co-operation in Yugoslavia. Other multilateral assistance, on a small-scale, was received in 1980 from the Organization for Economic Co-operation and Development (OECD), the United Nations Fund for Population Activities (UNFPA), the World Health Organization (WHO) and the International Atomic Energy Agency (IAEA). Yugoslavia has very extensive technical co-operation with developing countries on a bilateral basis and intends to expand this exchange of technology in relation to the research and development now being undertaken in new methodologies for the exploitation of natural resources.

4. Six projects in the third country programme are identified as having investment potential: four concern the exploitation of natural resources; the remaining two are industrial, dealing with high-grade pulp production and the processing of polyethers.

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

5. In preparing the programme, special emphasis has been given to the provision of assistance to high-technology projects in the sectors of industry, agriculture and natural resources. In this connection, attention is being given to the development of alternate energy sources, environmental and water pollution problems and the increased utilization of indigenous minerals. Priority has also been placed on assistance to the country's economically less developed regions.

6. The Government of Yugoslavia has always attached high priority to regional development and currently participates in fifteen ongoing UNDP regional projects. Several projects included in the third country programme are directly linked to ongoing or future activities at the regional or interregional levels, for example, olive production, aquaculture and environmental protection. For the support of regional UNDP activities of particular interest to Yugoslavia, the amount of US\$600,000 has been set aside from the country's IPF.

7. Eight ongoing projects have been allocated supplementary funds or have reached readiness for a second phase in the third programming cycle. Four projects concerned with the exploitation of natural resources and the need for environmental protection related to such exploitation are being expanded on the basis of the positive results obtained under initial research and/or development activities. In industry, only preparatory activities were undertaken during the second programming cycle towards establishing the Aluminium Institute. Successful experiments in the industrial application of ionizing radiation and the industrial utilization of non-metallic minerals have demonstrated the desirability of expanding these activities. This step-by-step approach has been adopted by the Government in order to ensure the best utilization of both its own expertise and the small IPF resources. Supplementary allocations have been made in the amount of US\$2,410,900, or 40 per cent of the third cycle IPF resources, and are being applied to projects directly connected with the Government's aims to reduce imports and improve internal productivity.

8. Nine approved projects have activities and existing budgets which bridge the second and third programming cycles. Of these, four will be completed in 1982.

The total amount carried over into 1982 for approved projects is estimated at US\$374,773. In addition to the IPF, assistance from the programme reserve approved by the Governing Council at its twenty-sixth session (June 1980), after the earthquake in April 1979, will continue into the third programming cycle for medium- and long-term physical development of the earthquake affected zones of SR Montenegro.

9. During 1982-1986, the following projects will be carried out with UNDP assistance.

A. Natural resources

Ongoing projects

Comprehensive Resources Development of the Mostarsko Blato Karst Region (YUG/78/005)

10. The main objective of this project, which began in 1980, is to complete a study on integrated land use, including land reclamation, irrigation and energy production together with appropriate economic indicators, to be used for decision-making with regard to investment follow-up. With additional funding, the project area will be enlarged from the originally planned 4,100 to approximately 10,000 hectares. The total amount of US\$567,200 has been approved for the project, of which US\$159,700 is to be expended in the third programming cycle. The Yugoslav contribution to the project is 187,480,000 new dinars (ND) (US\$4,463,800).

Development and Use of Oil Shale Modified by In-Situ Retorting, Aleksinac Basin (YUG/78/001)

11. The continuation of this project is based on a feasibility study resulting from previous research and envisages the development of processing schemes for a semi-industrial plant, the construction and operation of a semi-industrial pilot facility located near Aleksinac and the testing and determination of technological and technical retorting process parameters. The direct aim of the project is to facilitate the production of about 100,000 tonnes annually of crude oil in the period 1987-1990. The UNDP estimated contribution is US\$303,600; that of the Government ND123,640,000 (US\$2,943,800).

Environmental Protection Related to Large-Scale Mineral Exploitation, SAP Kosovo (YUG/80/001)

12. The main objective of this ongoing project is to develop the institutional capability, within the provincial administrative structure of SAP Kosovo, for the development of environmental protection strategies, monitoring of environmental quality and application of established legislation in view of the extensive mineral exploitation in the area. The UNDP contribution for the completion of this project is US\$604,800. The Yugoslav contribution is ND200,000,000 (US\$4,762,000).

Processing of Low Grade Ores (YUG/73/004)

13. The aim of research carried out under this project is to find the most favourable and most economical method for processing available low-grade domestic raw materials and by-products to produce semi-manufactured and other commercial products. The UNDP estimated contribution is US\$100,000. The Government's contribution

will amount to ND16,000,000 (US\$380,900).

#### New projects

##### Thermal Insulation Systems for External Construction Elements, SR Slovenia

14. This project will be included in a broader research programme dealing with the problems of heat loss prevention in the insulation of buildings. The aim is to obtain well-defined regulations and instructions for builders, directors of civil works and other users. The UNDP estimated contribution is US\$100,000; that of the Government will amount to ND10,000,000 (US\$238,100).

##### Control and Conservation of Water Quality of the Danube

15. This project will assist in the establishment of a uniform and systematic means of monitoring water quality through laboratory testing. The training of personnel in sample testing is also foreseen. The UNDP contribution will amount to US\$62,300; the Yugoslav contribution will amount to ND5,000,000 (US\$120,000).

##### Protection of Surface and Ground Water Against Industrial Waste Waters, SR Macedonia

16. The project will assist in providing an organized approach to the over-all problem of detecting water pollutants, forecasting the effects of the uncontrolled discharge of waste waters from industrial facilities and proposing adequate waste water treatment through technological processes. The UNDP contribution is estimated at US\$69,600; that of the Government, at ND5,000,000 (US\$120,000).

##### Application of Systems Analysis in the Utilization of Water Resources, Serbia

17. The aim of this project is to apply systems analysis and computerization in elaborating plans for utilizing the energy potential of the water resources of Serbia. The project is to determine the optimum solutions for planning and operational management of hydropower facilities and for co-ordinated utilization of hydro- and thermopower in meeting the energy requirements of SR Serbia. The envisaged UNDP contribution is US\$120,000; the Yugoslav contribution will be ND15,000,000 (US\$357,140).

##### Photothermal and Photochemical Conversion

18. The Government plans the construction of a pilot solar thermal power plant of 350 kilovolts (KV), and a testing laboratory in the SR of Macedonia to investigate the possibilities of obtaining and utilizing certain types of solar batteries and electrochemical conversion. The UNDP input is expected to be US\$150,000. The Yugoslav contribution will be ND12,000,000 (US\$285,800).

##### Potentials for Producing Geothermal Energy, SR Macedonia

19. This research project will identify the priority geothermal regions for energy production in the SR Macedonia. The project should also offer general solutions regarding the manner of utilizing springs and watercourses. The UNDP contribution will amount to US\$100,000; that of the Government, ND16,000,000 (US\$380,900).

## B. Agriculture

### Development of Olive and Olive Oil Production (Phase II)

20. The main objective of this project will be to improve olive production in line with the determined policy of increasing food production in Yugoslavia, and in accordance with the Agreement on the development of the agro-industrial complex. This project is closely linked to regional project (RER/78/009) in the same field. The estimated UNDP contribution is US\$512,800. The Government's contribution to the project will be ND105,000,000 (US\$2,500,000).

### Adriatic Sea Biological Resources Management

21. This project is aimed at the development of aquaculture/mariculture, i.e. the large-scale production of sea food with a high protein content. Implementation of the programme would to a great extent improve the at present very unvaried diet of the population. The estimated UNDP contribution is US\$303,600 and the Government will contribute ND80,000,000 (US\$1,904,800).

### Centre for Research and Development of Oil-Seeds and Edible Oil, SR Bosnia-Herzegovina

22. The project will assist in the assessment of the exact conditions and possibilities for adopting a programme for financing and setting up the Centre. The task of the Centre will be research into new species and varieties of oil-seeds, the application of modern techniques and methods for extending the cultivation areas, and the monitoring of production of edible oil in Bosnia-Herzegovina. The UNDP contribution amounts to US\$250,000. The Government's contribution will be ND100,000,000 (US\$2,380,900).

### Intensification of Food Production in Mountainous Regions

23. The project comprises a complex of studies concerning agro-technical and organizational/systemic measures which are to be taken to increase the production of food in the mountainous regions, which cover 60 per cent of the Yugoslav agricultural area. The project is expected to have a duration of three years, with estimated UNDP input of US\$150,000. The Government's contribution is expected to be ND8,500,000 (US\$202,390).

## C. Industry

### Ongoing projects

#### Establishment of the Aluminium Institute for Research and Development in Titograd (YUG/75/022)

24. The Aluminium Institute is to be established to support the organizations in Yugoslavia which are dealing with the production and processing of aluminium and its alloys. Its aims will be to establish a concept for nation-wide development of the industry, unification of production and processing technology, development of indigenous technology, and provision of full engineering services. To complete this ongoing project, UNDP is expected to contribute US\$664,500, while the estimated

Government contribution is ND42,000,000 (US\$1,000,000).

Industrial Application of High Energy Ionizing Radiation (YUG/78/007)

25. The essential long-term aim of the project is the replacement of a number of traditional industrial methods by new procedures based on radiation processing, while ensuring two fundamental effects: savings in the use of traditional power sources and improvement in the working conditions as well as protection of the environment, since radiation technology is one of the "cleanest" technologies. The estimated UNDP contribution is US\$150,000. The Government contribution will amount to DN20,000,000 (US\$476,200).

Industrial Utilization of Non-Metallic Minerals (YUG/78/009)

26. The continuation of this project will result in a feasibility study of the technologies to be applied for the development of the most economically favourable deposits. The main objectives of the project are the increased uses of domestic natural non-metallic mineral sources, particularly domestic kaolin, feldspar and quartz; the phasing out of feldspar imports and the reduction of kaolin and quartz imports, as well as the development of a national non-metallic mineral industry. The estimated UNDP contribution is US\$180,000. The Yugoslav Government will allocate ND30,000,000 (US\$714,300).

New projects

Chemical Fibres Substitution in the Production of Paper and Cardboard - SR Bosnia and Herzegovina

27. This project will elaborate a feasibility study on the possibility of: (a) increasing paper and cardboard production; (b) further processing of these products with a concurrent reduction of imported components; and (c) decreasing production costs, reducing pollution, and increasing exports. The project will enable laboratory and semi-industrial testing of the possibilities for using beech trees for producing thermo-mechanical pulp and pressurized wood pulp. The UNDP contribution amounts to US\$329,900. The Yugoslav Government will provide ND39,588,000 (US\$942,570).

Research and Development of Indigenous Technology for Use of Polyethers in Industry

28. The project is aimed at the research, development and mastering of indigenous technology of polyether synthesis, of the technology for its further processing and that of polyether and polyether-based products application. Possibilities for developing indigenous technologies for propylene oxide synthesis shall also be explored. Activities will include the designing of a semi-industrial plant. The UNDP contribution amounts to US\$300,000. The Government of Yugoslavia will provide ND36,000,000 (US\$857,150).

Regional Nuclear Training Centre

29. A nuclear training centre will be established for training and/or retraining of personnel in the field of reactor engineering and operations. The facilities of the

centre will also be available for training personnel from developing countries. The estimated UNDP contribution is US\$105,200. The Government's contribution will amount to ND5,000,000 (US\$120,000).

#### D. Health

##### Surgical Prevention of Motor System Disablement

30. The project will be concerned with introducing modern treatment methods, primarily through surgery, of motor system disability, which has assumed such a proportion that it represents a serious burden to the economic potential of the country. The estimated UNDP contribution is US\$70,000. The contribution of Yugoslav Government will amount to ND4,000,000 (US\$95,240).

##### Food Quality and Safety Testing

31. The implementation of this project will contribute to improving the qualifications of personnel and adequately equipping existing laboratories, or setting up new laboratories where required, with a view to monitoring food quality and safety. The expected UNDP input for the completion of this activity is US\$90,000. The Yugoslav Government will contribute ND6,000,000 (US\$142,860).

#### E. Miscellaneous

32. An amount of US\$238,200 is programmed for small-scale projects as well as for fellowships in fields not connected with projects specified above in the country programme.





Annex

## FINANCIAL SUMMARY

		\$			
<b>A. <u>Resources</u></b>					
(a) IPF and other resources					
(i) Illustrative IPF for programme period		7 500 000			
(ii) Carry-over from previous IPF cycles		1 212 000			
(iii) Other resources		-			
(b) Provision for adequate programming		-			
TOTAL		8 712 000			
<b>B. <u>Use of resources</u></b>					
(a) Programmed					
(i) Ongoing projects		3 049 173			
(ii) New projects and new phases included in the country programme		2 200 600			
(iii) Earmarked for regional projects (\$600 000) and miscellaneous fellowships (\$238 200) (continuous programming at a later stage)		838 200			
Subtotal		6 087 973			
(b) Reserve		1 124 027			
(c) Unprogrammed balance <sup>a/</sup>		1 500 000			
TOTAL		8 712 000			
<b>C. <u>Financial distribution of programme, by sector</u></b>					
<u>Sector</u> <sup>b/</sup>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>TOTAL</u>	
	\$	\$	\$	\$	
03 Natural resources	1 363 192	601 900		1 965 092	
04 Agriculture, forestry and fisheries	606 800	703 600		1 310 400	
05 Industry	1 005 400	735 100		1 740 500	
06 Transport and communications	2 000	-		2 000	
10 Health	71 781	160 000		231 781	
Other	-	-	838 200	838 200	
TOTAL	3 049 173	2 200 600	838 200	6 087 973	

<sup>a/</sup> 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.

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

