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PROGRAMME PLANNING

Country programmes

FOURTH COUNTRY PROGRAMME FOR THE LIBYAN ARAB JAMAHIRIYA*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
January 1988-December 1991	IPF for 1988-1991	1 760 000
	Third cycle balance	228 000
	Other resources programmed	<u>11 986 622</u>
	Total	13 974 622

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES	1 - 24	2
A. Current economic trends	1 - 6	2
B. National development strategies	7 - 16	3
C. Technical co-operation priorities	17 - 22	5
D. Aid co-ordination arrangements	23 - 24	6
II. THE COUNTRY PROGRAMME	25 - 66	7
A. Assessment of previous country programme	25 - 33	7
B. New programme proposal	34 - 65	9
C. Unprogrammed reserve	66	14
<u>Annex.</u> Financial summary		15

* 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) planned activities of operational funds and programmes under the authority of the Administrator; (e) distribution of new country programme by sector.

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. The Libyan Arab Jamahiriya covers an area of 1,775,500 sq km and has a population of 3.76 million (2.12 inhabitants per sq km), of whom 245,000 are foreigners. Its population growth rate is approximately 4.0 per cent per annum. The population and economic activities are concentrated primarily in the coastal strip of cultivated land. The gross domestic product (GDP) in 1986 amounted to \$18,897,000 and the GDP per capita for the same year was estimated at \$5,021. The economy is supported by a non-diversified resource base, where petroleum production and exports play by far the major role.

2. Since the 1969 Revolution, the Libyan Arab Jamahiriya has undergone a process of political, economic and social transformation; the standard of living of the population has been raised and basic infrastructures created. From 1970 to 1980, the increase in GDP was eightfold (at current prices), an average growth rate of 23 per cent, reaching a per capita income in 1980 of Libyan dinars 3,133 or approximately \$10,500. Total investments in 1970-1980 were LD 11.849,000 (\$39,761,740).

3. Whilst the policies aimed at pursuing the process of transformation were continued, the same momentum of earlier years could not be maintained. In 1979, for example, 2.0 million barrels of oil were extracted daily, a level which was not reached again in subsequent years. There was also a reduction in oil prices and export earnings and investment had to be curtailed. From 1981 onwards, the growth rate of GDP began to decrease. With marked reduction in oil prices in 1985, the economic situation remained difficult, particularly in the financial sector, which came under extreme pressure. The uncertainties which characterized the oil market became especially acute in 1986.

4. It was originally planned that about LD 1.4 billion (approximately \$4.7 billion) could be used for imports, almost equally divided between basic commodities (foodstuffs, etc.) trade commodities (automobiles, electronics, etc.) and intermediate commodities (equipment and services for development projects). In view of the difficulties faced, this original amount had to be drastically reduced.

5. In spite of some \$10.2 billion (LD 3.0 billion) invested in agriculture in the past 17 years, the country still imports large quantities of food products. However, the rainfall during 1986-1987 was above average and it is expected that subsequent agricultural production will be higher than in previous years.

6. In the manufacturing sector, several large industrial projects were completed for the production of ethylene, iron, steel and cement pipes. The latter is connected with the \$7.5 billion (LD 2.2 billion) Great Man-Made River project, which, when finalized, will provide irrigation to 180,000 hectares for 37,000 farms in the Sirte area. In the first stage, 2 million cubic metres per day of underground fossil water will flow from the oasis of Kufra to Sirte.

B. National development strategies

7. The Libyan Arab Jamahiriya initiated the process of planned economic development in 1972 with its First Triennial Plan (1973-1975), followed by the First Transformation Plan (1976-1980). The substantial achievements during this period were reflected in the overall and sectoral growth rates of the economy. The Second Transformation Plan (1981-1985) was prepared against the background of these achievements and at a time when another increase in oil earnings was experienced, following the second boom of 1979. Although in the light of later events the objectives of the Second Transformation Plan appeared too ambitious, the investments and growth targets of the Plan were realistic when considering the economic outlook prevailing in 1980.

8. The central objective of the Second Plan was a structural transformation of the economy through accelerated development in the non-oil productive sectors and the reinforcement of the economic and social infrastructure, thus reducing the dependence on crude oil. The strategy conceived to achieve this objective was to gradually, but significantly, scale down the production and export of petroleum to the levels required, assuming stable prices to finance the planned economic and social development. This strategy was also meant to preserve the non-renewable crude oil deposits for as long as possible. The combined share of agriculture and industry in the total GDP was expected to more than double during 1981-1985, rising from 3.9 per cent in 1980 to 8.4 per cent in 1985. The part of the GDP generated in the non-crude oil sectors was planned to grow at an annual rate of 10.3 per cent (against 10.9 per cent achieved during 1975-1980), so that even with the planned reduction to 5.9 per cent annually of the crude oil GDP component, the overall GDP would maintain a modest growth rate of 1.0 per cent per annum.

9. The implementation of the Second Plan got off to a difficult start. The projected gradual decline in crude oil exports between 1980 and 1985 was to cause a reduction in revenue from LD 6.5 billion (approximately \$21.8 billion) in 1980 to LD 4.3 billion (approximately \$14.4 billion) in 1985 based on a price of LD 10.512 or \$35 per barrel. In fact, foreign earnings were already at LD 3.5 billion (approximately \$8.4 billion) in 1983; they have not recovered from that level since then.

10. A mid-term evaluation of the Second Plan was carried out in 1983 and proposals for adjustments to the Plan were prepared. After careful consideration, it was concluded that, in the context of an unstable oil market, it would be prudent to implement the Plan by adjusting it periodically to the changing conditions instead of undertaking a full-scale revision. Annual revisions, through annual development budgets, thus became the mechanism for implementation of the Plan. The central objective of the Second Plan remained valid despite the modification required in the strategy to achieve it.

11. A Third Transformation Plan was prepared for 1986-1990; it essentially reconfirmed the objectives of the previous Plan. It comprises more realistic financial and investment targets based on current and assumed future trends, with particular emphasis on the qualitative aspects of investment, rather than on its quantitative aspects. The growth impulses of the economy should result from a more

effective and efficient utilization of the investments already made, rather than from new investments. Increased productivity in the agricultural and industrial sectors is to be the main source of growth. The investment policy is to be rationalized with a view to a rapid achievement of improved outputs. Quick-yielding projects are to be given priority and are to be completed as speedily as possible. Nevertheless, new investments in potentially productive projects likely to result in rapid returns are encouraged.

12. More efficient management and better maintenance of capital assets are critically important elements of the future development strategy. The planned expansion and diversification of the non-oil sectors should be preserved. The substitution of Libyans for foreigners at higher management and technical levels is a crucial element of the new development policy.

13. Because of the prevailing uncertainties regarding oil prices, and taking into consideration the oil producing and exporting countries (OPEC) quota system, the Third Plan envisaged two scenarios: one with a world market price of \$28 per barrel and the other of \$25 per barrel. According to the latter scenario, there would be no new investment, only concentration on some unfinished development projects. These targets had to be abandoned during 1986, when the spot market price of Libyan crude dwindled to about \$11 per barrel; in view of the dwindling oil income, the Third Transformation Plan has been frozen. Once again, the general strategies have remained unchanged and investments and other macro-economic decisions have been taken in the framework of the annual development budget.

14. The rise in oil prices after December 1986 to around \$18 per barrel was a welcome development and increased the possibility of using proper planning mechanisms for 1988-1990.

15. In brief, the development strategy for 1986-1990 aims at:

- (a) Raising further the standard of living;
- (b) Increasing domestic production;
- (c) Achieving structural adjustments and a more balanced development;
- (d) Increasing output in the non-oil sector and achieving greater diversification in production and exports;
- (e) Promoting Libyanization through the development of human resources;
- (f) Expanding import substitution with a view to greater self-reliance; and
- (g) Increasing foreign exchange reserves.

16. Achieving success in all points is considered crucial, with special emphasis on increasing domestic production, primarily through:

(a) Raising the productivity of the labour force as well as that of the installed capacity; and

(b) Improving the quality of management and organization.

C. Technical co-operation priorities

17. In view of the size of the development programmes on which Libya has embarked despite its narrow manpower base, implementation will require technical and managerial support from abroad. The planning, design and execution of most projects involve foreign companies, while national professionals and technicians are being trained at national universities and technical institutes which employ foreign teachers and instructors. In addition, a large number of foreign physicians and other professionals provide services at various levels and train Libyan counterparts. Most of the foreign expertise is procured bilaterally. The need for foreign assistance in acquiring knowledge, skills and experience will continue as long as the manpower resources are inadequate to meet the requirements of development programmes.

18. In addition to services procured abroad, there is room and a need for assistance provided through multilateral and bilateral channels. In this assistance, the part played by the organizations of the United Nations system has not been negligible in the past. In fact, the United Nations system has a crucial role to play in providing the type of expertise required to fully develop the human resource potential. Without the training and acquisition of skills required by balanced progress, it will be difficult for the country to increase its self-reliance. The multinational character of recruitment of technical expertise available through the United Nations system provides a wider choice of candidates. The extensive experience of United Nations agencies in raising the standards of skills and knowledge in a practical way and in close connection with specific requirements makes them unique partners in the efforts to transform the economy into a modern instrument of progress for the society. In brief, United Nations co-operation is sought by the national authorities as a vital contribution to the successful achievement of the national strategy for the period 1986 to 1990 and beyond.

19. The current phase of consolidation of past investments through the increased productivity of installed capacity and manpower requires an evaluation of past performance as well as the formulation and implementation of policies to achieve these aims. Outside support will be required in order to reach this goal.

20. Similarly, the emphasis placed on imports substitution leading to greater self-reliance through diversification for industrial and agricultural goods and products calls for international assistance in identifying new projects as well as in selecting among existing projects those which will be continued because of their potential profitability.

21. In its efforts towards the realization of these two major goals, the Government wishes to associate itself with the United Nations system. It is

interested in applying new dimensions and new modalities during the fourth country programme, in particular those most beneficial in the short term, such as the utilization of national officers and government execution.

22. The main areas of co-operation with the various United Nations organizations will be the following:

(a) Expansion of the rate of utilization of the capacity of non-oil industrial units through sound projects formulation based on research and advisory services provided by qualified staff. These will include the training of industrial manpower and the accelerated training and upgrading of managers in more efficient and profitable use of industrial capacity and in industrial management and organization.

(b) Social and economic policy planning with emphasis on:

(i) Sample evaluation of past performance in selected industrial and agricultural projects;

(ii) National training programmes to disseminate basic notions of pre- and post-investments;

(iii) Compatibility between existing equipment and available and planned training programmes;

(iv) Higher-level maintenance and the rehabilitation of assets;

(v) Protection of the environment; and

(vi) Participation of women in development.

(c) Underground water development with a view to increasing the training of manpower in the use of modern irrigation techniques; increase in livestock production and fish farming.

D. Aid co-ordination arrangements

23. The Libyan Arab Jamahiriya does not receive any capital aid; indeed, it has been the provider of large amounts of financial aid to other developing countries and maintains such aid even under the current financial stringencies, albeit on a reduced scale. The co-ordination of aid therefore implies only that of technical assistance, which Libya receives under various arrangements, bilateral and multilateral. The co-ordination of technical assistance within the United Nations system is ensured by the Resident Co-ordinator; National Co-ordinators have been placed in the United Nations Development Programme (UNDP) by the Food and Agriculture Organization of the United Nations (FAO), by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and by the United Nations Industrial Development Organization (UNIDO); this trend is expected to spread to other agencies as well.

24. This co-ordination is particularly relevant in view of the large scale programme implemented by several specialized agencies - FAO, UNIDO, the International Civil Aviation Organization (ICAO), the United Nations Centre for Human Settlements (Habitat) (UNCHS), UNESCO, the International Atomic Energy Agency (IAEA), the Organization of African Unity (OAU) and the Economic Commission for Africa (ECA) - in their fields of competence under trust fund arrangements with the Government, totalling approximately \$155 million.

II. THE COUNTRY PROGRAMME

A. Assessment of previous country programme

25. The third cycle country programme for 1982-1986 was approved in May 1982, for an amount of \$30.6 million, comprising \$5.2 million as indicative planning figure (IPF) and \$25.4 million from Government cost-sharing. In 1983, the IPF was adjusted to \$1.72 million to reflect overexpenditures incurred in the second cycle. On the Libyan side, the cost-sharing contributions, made at a time when the oil-revenue was at a peak, had to be brought down to lower levels following a shortfall in national income through reduced oil sales.

26. The third cycle programme comprised projects in the areas of economic planning; census and statistics; manpower planning; industrial research and development; and agricultural development. For the sake of this review, these first three topics have been the subject of joint analyses in view of their interrelationship and since all three sectors fall under the responsibility of the Secretariat of Planning.

27. The three corresponding UNDP-financed projects Economic Planning (LIB/82/001), Census and Statistics (LIB/82/006) and Manpower Planning (LIB/82/002) ended in December 1986. The first and the third projects completed a third phase of activities. They shared common features, both positive and negative. United Nations expertise was well utilized in supporting the work of national officials, providing technical guidance in specific areas and thereby raising the qualitative level of performance of the staff who participated in this joint exercise. Nevertheless, in view of the inevitable movement of personnel within the Secretariat of Planning, the Secretariat itself has not yet permanently acquired the skills required to carry out its duties and responsibilities at the highest level of competence, in qualitative as well as quantitative terms. The country has not, however, lost the manpower trained with UNDP assistance; in fact, the skills are used elsewhere in the national administrative structures.

28. Industrial research and development was the subject of two projects: Industrial Research Center, Phase III (LIB/82/003) and Assistance to the Secretariat of Industry (LIB/86/003). An analysis of the two projects shows that the cadres have not yet achieved a level of skills and experience commensurate with the requirements of local industry. An evaluation of the second and more recent project is still premature. Nevertheless, this project has already had visible effects on the generation and co-ordination of United Nations co-operation in various areas of industry, such as petroleum development and industrial manpower. It is intended to extend this project into the fourth country programme.

29. The same observations apply in respect of Marine Fish Farming (LIB/86/002), Aquaculture Training (LIB/86/008) and Transfer of Technology to Agriculture (LIB/86/001). All three are at an early stage of development.

30. Finally, there is Assistance to the Libyan Cement Company (LIB/86/004), which initially complemented other projects executed by UNIDO under funds-in-trust financing and is now implemented through cost-sharing arrangements. The special nature of this project, described later on in this document, is to be underlined since it contributes to co-ordinating an intensive programme of on-the-job training in the cement industry with United Nations assistance. Implementation to date has been satisfactory and points to promising developments.

31. It is worth mentioning some of the characteristics of the third country programme which have paved the way for future co-operation:

(a) The resources available under the IPF represented 1.50 per cent of the total cost of all United Nations-executed projects, while Government contributions represented approximately 13 per cent under cost-sharing arrangements and approximately 86 per cent under funds-in-trust financing;

(b) The number of resident experts has fallen from 122 in 1982 to 4 in 1987, indicating the trend towards short-term, highly specialized consultants and sub-contracting. The decrease in oil revenues, combined with a cut in IPF resources available in the third cycle, compounded this phenomenon. A number of national staff have been able to take over from multilateral advisers in sectors assisted by the United Nations system, which is both a proof of the positive results of the training effort and a natural expectation in terms of the ultimate purpose of technical co-operation. However, it should be noted that national cadres in the units to which the experts are attached continue to be in short supply. As a consequence of the dearth of national personnel, foreign experts were often called on to provide direct support instead of focusing on training in their respective areas of competence. This is not an exclusive feature of these projects but a widespread state of affairs which the authorities are determined to remedy through large-scale training efforts in all spheres of the Libyan economy;

(c) The number of interregional and agency staff visiting the country on short assignment has increased and the demand for medium-level technicians has also grown considerably, with some 289 consultants provided during 1986 alone. However, in some instances, it was felt that the level of expertise supplied by the United Nations system has been below the expected standard;

(d) Joint performance reviews have taken place annually, the last being held for three days in November 1986 at the Secretariat for Foreign Liaison with all the secretariats concerned;

(e) The delays in payment of counterpart funds have negatively interfered with the timely provision of inputs required for project execution.

32. The impact of the activities carried out under the third country programme on the national economy has been positive, despite the limitations and shortcomings described above. The Libyan authorities and United Nations agencies are expected to co-operate to avoid the same pitfalls and raise the level of success in the implementation of the projects to be included in the fourth country programme.

33. To permit further discussions and a better agreement on the next programme to be implemented, it was decided to extend the third country programme through 1987.

B. New programme proposal

34. The assistance foreseen in the Fourth Country Programme (1986-1991) falls squarely within the national priorities stated in the Third Transformation Plan by focusing on measures meant to achieve the following targets.

(a) Human resources development

- (i) Planning and related activities;
- (ii) Improvement in the productivity of manpower and industrial capacity; and
- (iii) Strengthening of the vocational training network.

(b) Diversification of production

- (i) Raised output in agriculture;
- (ii) Introduction of fish farming; and
- (iii) Development of underground water.

35. The execution of activities foreseen will rely more than earlier on short-term expertise and medium-level technical personnel, the United Nations Volunteers (UNV) being one of the programmes to be considered. The specific proposals of the authorities for the fourth programming cycle are as follows.

Human resources development

Ongoing projects

Assistance to the Secretariat of Industry (LIB/86/003) (IPF: \$279,000; government cost-sharing: \$930,000)

36. Since 1970, the process of industrialization has aimed at the diversification of the economy with a view to realizing the highest possible degree of self-reliance and overcoming the stage of an economy essentially based on one source of income.

37. Despite the efforts deployed so far, the Libyan Arab Jamahiriya still suffers from a shortage of skilled labour and technicians, engineers and managers as well as from the underutilization of the installed capacity.

38. This project aims at providing continued support to the Secretariat of Industry in identifying, defining, managing and co-ordinating the available human and physical resources in the industrial sector, in project identification, preparation and evaluation and in the co-ordination of sources of external assistance. This is to be achieved by reinforcing the capacity of the Secretariat's staff through training programmes, fellowships and study tours for senior- and middle-level staff, and high-level consultancy missions. Emphasis will be placed on Technical Co-operation among Developing Countries (TCDC).

39. This project will be closely connected with several industrial projects in the country under implementation through trust fund arrangements. Its activities will also be related to those aimed at achieving increased agricultural input.

Assistance to the Libyan Cement Company, Benghazi (LIB/86/004) (Government cost-sharing: \$1,471,400)

40. Cement factories were the earliest non-oil based industries to be established in the country, reflecting the needs of a construction sector that has boomed since the discovery of oil. In 1969, the cement industry started with the establishment of the National Company for Cement and Building Materials, with an annual production capacity of 100,000 metric tons. Since then, the Libyan capacity in cement manufacturing has greatly increased in its five plants.

41. The sharp increase in production capacity coupled with the very short implementation time have accentuated the shortage in manpower by enlarging the gap between the numbers of people needed and those qualified and available to operate and maintain the new plants. Assistance has been provided by UNIDO through trust-fund arrangements since 1976. Throughout this period, the emphasis has been on raising the utilization level to design capacity rather than concentrating on the training of local personnel.

42. To be financed under cost-sharing arrangements, the project aims at upgrading the maintenance procedures, establishing optimized management structures and providing on-the-job training required for its managerial and technical personnel at the Cement Plant situated in Benghazi.

43. In its efforts to develop a strengthened national capability in the sector of building materials for industrial purposes, this project is linked to the project aimed at improving productivity and industrial capacity mentioned above.

New projects

Assistance to Secretariat of Economic Planning - LIB/86/005 (IPF: \$700,000;
Government cost-sharing: \$1,200,000)

44. The Secretariat of Planning has had the benefit of three long-term projects in economic planning, census and statistics, and manpower planning spread over three phases, which ended in 1986. Nevertheless, the Secretariat is in need of further inputs from the United Nations system to the other Government bodies in order to reach the national objective related to the improvement of productivity and increased profitability of investments.

45. The emphasis will be placed on project design, in which UNDP has considerable experience and on measures based on the concept of post-investment, which has already been introduced in several country programmes elsewhere. The UNDP project will serve as a focal point in providing advice and guidance to those Libyan authorities intending to launch a policy of adjustment and restructuring at all levels.

46. In the social sector, the Secretariat of Planning will, in the framework of the policies of self-reliance and increased productivity stated above, ensure that measures are devised through this project to raise the level of participation of women in the reoriented development process. At present, women account for only 15 per cent of the total work-force. This rate is moving upwards, albeit slowly, and the Secretariat of Planning will, with United Nations assistance, devise policies with a view to speeding up the pace of participation of women in the country's economic life.

47. Designed to formulate policies covering the whole spectrum of economic activities, this project is closely related to all those included in this country programme, as well as other activities carried out by the various secretariats acting as implementing agencies.

Strengthening of vocational training network (LIB/86/009) (IPF: \$166,000;
Government cost-sharing: \$5,324,000)

48. The Libyan Arab Jamahiriya has launched programmes of industrialization in construction and in agricultural mechanization. This, however, makes it heavily dependent on expatriate manpower. To enable the Libyans to improve their skills and increase their participation in these programmes, large investments have been made in order to provide an opportunity for them to receive education and training. Because of the dearth of national teaching cadres, assistance is required mainly in the form of technical teachers/instructors.

49. This project is being launched to enhance the development of human resources with a view to overcoming the heavy dependence on foreign labour, promoting the relevant skills in each region, assisting in the effective and efficient operations of four vocational training centres and raising the capacity of the cadres concerned to administer and further develop the vocational training system.

50. At present, one of the four vocational training centres covered by this project makes use of training materials developed by the former International Labour Organisation (ILO) project TF/LIB/79/01 (FIT) - Industrial Vocational Training Scheme which has also trained some instructors. The new project will benefit from the experience gained in this previous project.

Production diversification

Ongoing projects

Transfer of Technology to Agriculture (LIB/86/001) (IPF: \$75,000; Government cost-sharing: \$786,222)

51. Raising agricultural production with a view to reducing imports of foodstuffs is imperative. One of the major obstacles is the low productivity per acre, which the Government feels can be at least partially overcome by agricultural mechanization and the upgrading of related skills.

52. The Agricultural Production Organization is the institution responsible for the identification and planning of national projects and the management and training of agricultural manpower. Projects at the local level are dealt with by the agricultural committees of the municipalities.

53. The staff of the Agricultural Production Organization is in need of training in: (a) the formulation of quick-yielding projects; (b) the improved management of ongoing projects which have so far produced low returns; (c) the evaluation of completed projects; and (d) the co-ordination of assistance provided through external sources.

54. These needs will be to a large extent met through training programmes, fellowships and study tours for senior- and middle-level staff, combined with consultancy missions of short duration, TCDC being duly taken into account both as regards training and the provision of advisory services.

55. This project will benefit from the experience gained in FAO projects such as Perspective and Evaluation Study on Agricultural Development (LIB/79/001) and Transnational Project on Major Aquifers in North East Africa (RAB/82/013).

Feasibility of Marine Fish Farming (LIB/86/002) (IPF: \$285,000; Government cost-sharing: \$1,075,000)

56. In 1985, the fish production in Libya was about 75 tons from freshwater aquaculture. The immediate potential for fresh marine fish can be at least 5,000 tons; the demand for marine fish is high and offers good opportunities for fish farming. Aquaculture is a promising as well as a necessary area of development in the country. Its technology, however, requires intensive and comprehensive training programmes.

57. The project will increase the production of marine fish, acquire the necessary aquaculture equipment for the establishment of fish pilot projects, demonstrate

commercial marine fish farming in raceways, adapt foreign technologies to local species and environmental conditions, train national personnel in the operation and maintenance of marine aquaculture equipment and build up a cadre of knowledgeable fish culturists, experienced in the technology used in all stages of the production of marine fish.

58. This project will benefit from the experiences of Fish Marketing Information, Promotion and Technical Advisory services for Arab Countries (INFOSAMAK) (RAB/86/013) and Mediterranean Regional Aquaculture (MEDRAP) (RAB/83/016).

New project

Development of underground water (LIB/86/007) (IPF: \$230,000; Government cost-sharing: \$1,200,000)

59. Ninety-three per cent of Libya has rainfall below 110 mm, with large annual variations. The storage capacity for surface water is limited. Irrigated agriculture is almost entirely reliant on groundwater. It is estimated that for sustaining a population of 4.6-6.5 million in the year 2000, Libya's water requirement will be between 5,500-12,000 million cubic metres per annum.

60. A number of inland depressions exist in the north, east, central and southern areas. They are turned into fresh water lakes and swamps, because of the oozing of springs from the aquifers in these depressions.

61. Ground-water resources are overexploited in the northern plains. This has resulted in a slow landward movement of the saline-fresh water interface along the sea. Keeping in view the necessity of meeting the water needs of the population, the situation, already beyond control, could assume dangerous proportions if appropriate preventive and remedial measures are not initiated immediately.

62. Among the many activities envisaged by the Government, the co-operation of the United Nations agencies has been sought for technical advice on the assessment of recharges, evapotranspiration, corrosivity, land subsidence, the use of remote sensing to estimate precipitation, and hydrometeorological conditions and computer applications in the water sector.

63. This project will benefit from the experience gained in FAO Funds-in-Trust projects in land and water investigation, and plain water management.

Linkage of national projects with regional activities

64. The Libyan Arab Jamahiriya is keen to participate actively in regional activities relevant to its own development priorities. It is convinced that it can derive benefits from linkages with national projects, be they the beneficiary of multilateral inputs provided by the United Nations system or not. The regional projects which are expected to provide support in achieving national objectives concurrently with UNDP-financed projects mentioned above are listed hereunder:

- (a) Transnational Project on Major Aquifers in North-East Africa (RAB/82/013);
- (b) Fish Marketing Information, Promotion and Technical Advisory Services for Arab Countries (INFOSAMAK) (RAB/86/013);
- (c) Mediterranean Regional Aquaculture (MEDRAP) (RAB/83/016).

65. Furthermore, at the stage of appraisal of new projects, the authorities will review with UNDP the potential for linkage with other regional projects, with a view to ensuring the most beneficial harmonization possible of efforts at the national and regional levels. The following projects, envisaged in the context of the next regional country programme, could be of particular interest to Libya: Current Technologies in Water Resources Management (RAB/86/011); Food Security Studies in the Arab Region (RAB/86/029); Euro/Arab Co-operation for Aquaculture Development (RAB/86/051) and Regional Research, Training and Consultancy (RAB/87/026). In this endeavour, the authorities will bear in mind the opportunity of establishing with other countries in the Arab region relations in the framework of TCDC, where there are promising prospects.

C. Unprogrammed reserve

66. An unprogrammed reserve of \$253,000 of the IPF is essential to retain programme and resource flexibility. Resources from this reserve will be used in the first instance to meet additional requirements of increases in project costs as well as to cover unforeseen activities which might arise from possible changes in priorities.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

<u>A. UNDP-administered sources</u>	<u>\$</u>	<u>\$</u>
Third cycle IPF balance	228 000	
Fourth cycle IPF (1987-1991)	2 200 000	
Less 1987 expenditures	(440,000)	
Subtotal IPF		1 988 000
Special Measures Fund for Least Developed Countries	-	
Special programme resources	-	
Government cost-sharing	11 986 622	
Third-party cost-sharing	-	
Operational funds under the authority of the Administrator	-	
Subtotal, UNDP non-IPF funds		11 986 622
 <u>B. Other sources</u>		
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		<u><u>13 974 622</u></u>

II. USE OF RESOURCES

Ongoing projects	4 901 622	
New project proposals	8 820 000	
Programmed reserve	-	
Subtotal, programmed resources		13 721 622
Unprogrammed reserve		253 000
 TOTAL USE OF RESOURCES		<u><u>13 974 622</u></u>

