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UNITED NATIONS CHILDREN'S FUND

Programme Committee

Recommendation of the Executive Director
Supplemental Allocations to DDT Plants in Pakistan and Egypt
Return of Savings from Ceylon DDT Plant

1. The Executive Director makes the following recommendations:
 - a) that the \$250,000 allocated to Ceylon for equipping a DDT production plant be returned to UNICEF's general resources;
 - b) that \$64,000 be allocated to Egypt for additional equipment and spare parts, plus freight, for the UNICEF-assisted DDT production plant;
 - c) that \$94,000 be allocated to Pakistan for additional equipment and spare parts, plus freight, for the UNICEF-assisted DDT production plant.

Ceylon DDT plant - return of allocation

2. In the general progress report of the Executive Director presented to the Executive Board in April 1957, the status of the DDT production plant in Ceylon was reported as follows:

"With eradication in view, the DDT plant for which UNICEF has allocated imported equipment will no longer be necessary to provide continuing supplies for malaria control, and other uses to which the DDT might be put would not fall under UNICEF's terms of reference. It had already been agreed that the plant would be built for a reduced capacity, and US\$90,000 worth of equipment had been transferred to India for use in the enlargement of the DDT plant there. At the end of 1956 discussion was proceeding on a proposal that the UNICEF allocation for the DDT plant should be entirely withdrawn." (E/ICEF/336/Add.4, para.34)

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3. The Government of Ceylon has now decided that the projected plant should not be established. Consequently, this allocation is cancelled and the \$250,000 allocation is being returned to the Fund's general resources.

Planned use of surplus equipment

4. The UNTAA Industrial Development Section has made a study of the surplus equipment in Ceylon in relation to the needs of several plants aided by UNICEF in other countries. As a result, UNICEF is advised that all of the surplus equipment can be put to good use in approved projects. An item by item review of the surplus equipment has been made and plans drawn up to distribute it among four plants in accordance with the particular needs of each plant. Nearly one half of the equipment was moved to India in 1956 and plans have been laid to move the rest in the last quarter of 1957. The cost to UNICEF of the surplus equipment in Ceylon was \$253,824 (slightly exceeding the \$250,000 allocated by the Board) and it is proposed to distribute this as follows:

	<u>US\$</u>
a) to India DDT Plant (against approved allocation - already shipped)	121,338
b) to Pakistan Penicillin Plant (against approved allocation)	18,640
c) to Pakistan DDT Plant (recommended supplemental allocation)	60,532
d) to Egypt DDT Plant (recommended supplemental allocation)	<u>53,314</u>
Total	253,824

5. At the same time, additional funds are required for two of the DDT plants - in Egypt and Pakistan - and this is also being recommended (see para. 13).

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India DDT plant

6. The Executive Board has made two allocations to this plant - the first in November 1951 (E/ICEF/R.228) and the second in March 1955 (E/ICEF/L.753). The total approved UNICEF assistance amounts to \$525,000, excluding freight. The capital outlay by the Government of India is \$792,000 and, in addition, the Government is using the entire product of the factory in its anti-malaria campaign. The first allocation was for a plant with a capacity of 700 tons technical DDT per year; the capacity of this plant is being doubled with the assistance given in the second UNICEF allocation. The original plant began supplying DDT to the national programme in November 1955 and has been operating at the planned capacity for many months. Installation of equipment for the expanded plant began January 1957 and is now well on the way to completion. The production of DDT in recent months has slightly exceeded the rated capacity of the expanded plant. The DDT produced has met WHO specifications and the costs have been reasonable.

Transfer of equipment to India DDT plant

7. Already a substantial part of this equipment has been transferred to India for the expansion of the DDT factory at Delhi for which the Board has made an allocation. The equipment transferred has a total value of \$121,338. The major item transferred was the monochlorobenzene unit. This has been charged to the funds already allocated for the expansion of the Indian plant.

Pakistan penicillin plant

8. For equipping this plant, the Executive Board allocated \$525,000, excluding freight, in September 1954 (E/ICEF/L.677). The plant is being built at Daudkhel on the Indus River and construction should be finished by the end of this year. Erection of equipment is currently underway and staff is being assembled.

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Transfers to Pakistan penicillin plant

9. Certain items of equipment (mostly tanks) to the value of \$18,640 will be transferred to the Pakistan penicillin plant. This transfer is being charged to the allocation of \$525,000 already made by the Executive Board.

Pakistan DDT plant

10. To assist this plant, the Executive Board allocated \$250,000 in May 1951 (E/ICEF/R.151). The Government's capital outlay is \$370,000. As in India, the Government undertakes to use the entire product of the plant for malaria control. This plant has a capacity of 700 tons of technical DDT per annum. It has been established at Nowshera in West Pakistan and began production on a small scale in 1956. During short periods, it has reached capacity production level. The initial months of operation have been attended by a number of administrative problems with respect to staff and to maintaining the supply of raw materials. Steps taken recently by the Government will hopefully make it possible for the plant to achieve a steady production at its rated capacity in the near future.

Egypt DDT plant

11. The Executive Board allocated \$250,000, plus freight, to Egypt in October 1951 (E/ICEF/R.231), for the establishment of a plant with a capacity of 700 tons of technical DDT per annum. The Government's capital outlay (including the cost of staff residences) is \$480,000, and the Government undertakes to use the entire product of the plant for public health purposes. The plant has recently had its first trial runs which have produced satisfactory technical DDT. It may be expected that within the year this plant will reach capacity production.

Supplemental allocations to the Egypt DDT plant and the Pakistan DDT plant

12. The Industrial Development Section of UNTAA has studied the rest of the equipment remaining in Ceylon and finds that it can be put to good use in the UNICEF-aided DDT plants in Egypt and Pakistan. One of the major units to be moved to the Pakistan DDT plant would be the air mill and accessory equipment (air compressor and refrigeration) for the formulating section. Experience in the operation of the DDT plant in India, under climatic conditions similar to Pakistan's, has shown the need for extra milling capacity. This arises from the fact that it is impossible to prepare DDT formulations during the hottest three months of the year. Among the high valued items to be shipped to Egypt would be tanks to improve the storage capacities at intermediate stages of production. The need for this additional storage capacity was found in the initial operations of the plant in India. A large part of the remaining equipment is pipes and fittings; so far as possible these would be divided evenly between the two plants.

13. At the same time, additional funds are required to meet existing UNICEF commitments to these two projects. For the plant in Egypt, equipment already purchased has cost \$254,578, exceeding the Executive Board allocation by \$4,578. For the plant in Pakistan, the equipment purchased has cost \$265,805, creating a deficit of \$15,805 against this allocation. Additional procurement for Pakistan, to the extent of \$9,000, is anticipated, bringing the total supplemental allocation to this project (apart from equipment transferred from Ceylon) to \$24,805.

UNICEF commitments

14. The combined allocations recommended for these two plants are as follows:

a) <u>For Egypt</u>	US\$
i) Transfers from Ceylon	53,314
ii) Existing deficit	4,578
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iii) Freight	57,892
	6,108
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Total recommended allocation for Egypt	64,000

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b) <u>For Pakistan</u>	<u>US\$</u>
i) Transfers from Ceylon	60,532
ii) Existing deficit	15,805
iii) Additional equipment	9,000
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	85,337
iv) Freight	8,663
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Total recommended allocation for Pakistan	94,000