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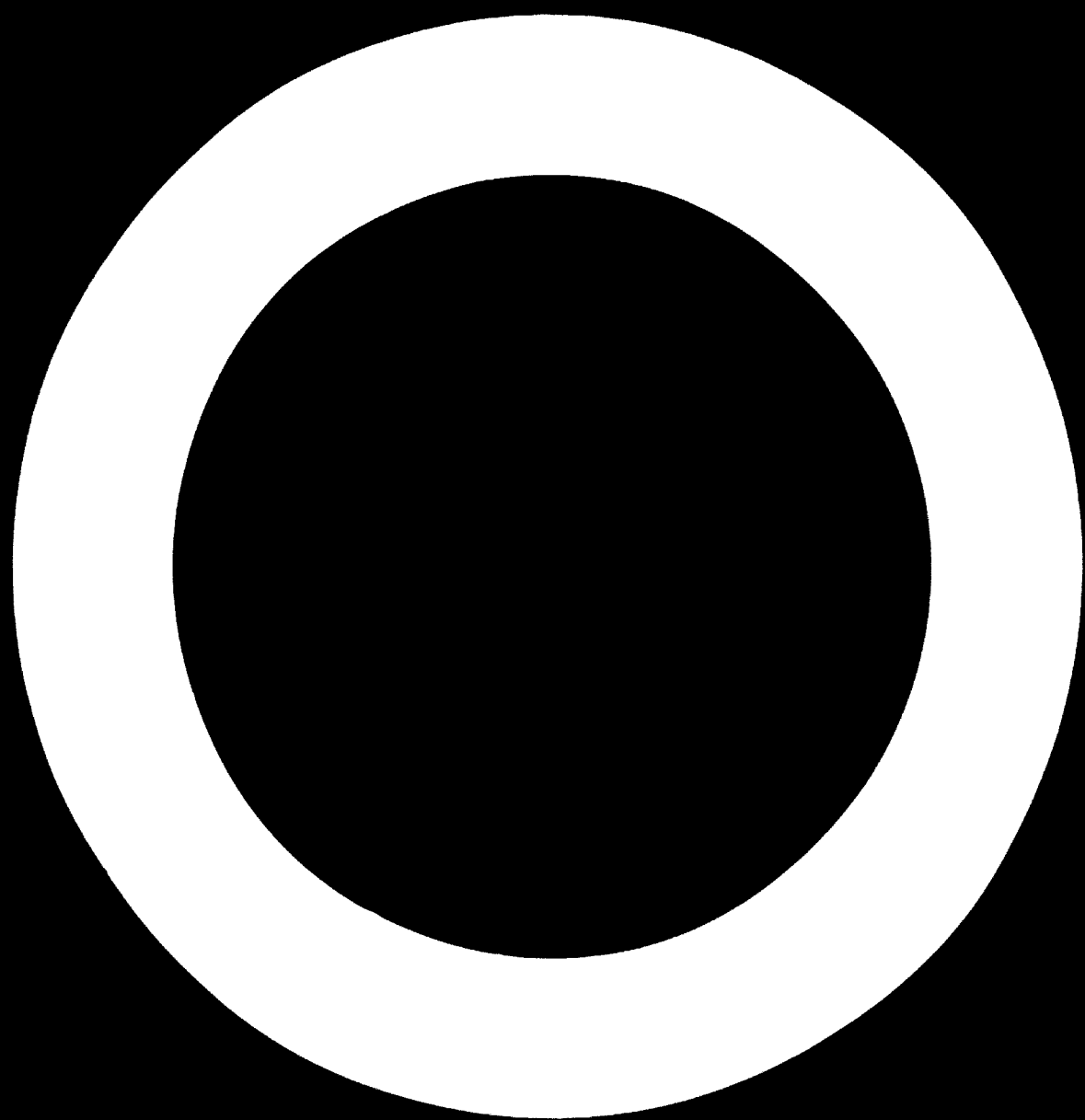
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REPORT  
ON THE UNIDO/IDCAS TRAINING WORKSHOP  
ON PROJECT PREPARATION AND EVALUATION

Aden, People's Democratic Republic of Yemen  
(24 January - 13 February 1974)

id.74-1357



INTRODUCTION

The Training Workshop on Preparation and Evaluation of Industrial Projects was held in Aden, People's Democratic Republic of Yemen and lasted three weeks.

The workshop was sponsored jointly by UNIDO and the Industrial Development Centre for Arab States (IDCAS). It was financed by the General Trust Fund of UNIDO (24,000) and by IDCAS. The preparation and implementation of the workshop was assigned to the Industrial Programming Section, Industrial Policies and Programming Division, of UNIDO and the Economic Division of IDCAS. The preparatory work began in October 1980, and the workshop was held between 14 January and 18 February 1981.

OBJECTIVE OF THE WORKSHOP

The main objective of the workshop was to provide theoretical and practical training in project preparation and evaluation techniques to participants from different ministries, banking and other institutions in the People's Democratic Republic of Yemen in order to create a nucleus of specialists in this field.

Taking into account the theoretical and practical background of the participants, the methods of lecturing and presenting case studies and exercises were adjusted accordingly. Priority was given to the most essential techniques of project preparation and evaluation, which are quite sufficient for the conditions prevailing in the country.

As a result of the very good preparation for the workshop by IDCAS, the good work of the team of lecturers, the good background, high discipline and diligence of the participants as well as the very good co-operation of the Ministry of Economy and Industry, the above objective was successfully achieved. We would not hesitate to say that the outcome of the workshop surpassed our expectations.

## 2. PROCEDURE OF THE WORKSHOP

The workshop was officially opened on the afternoon of 24 January in the Ministry of Economy and Industry. On behalf of the Government, the Minister of Economy and Industry, Mr. Abdel Azziz Abdel Wali and other senior government officials were present. The Resident Representative of the UNDP in Aden, Mr. K. P. Dalal was also there. Opening statements were made on behalf of the Government and the two organizing agencies. On behalf of the Government, the Minister of Economy and Industry welcomed the lecturers and participants and expressed the Government's appreciation for the activities of UNIDO and IDCAS in the field of industrial development and of their co-operation in organizing the workshop and looked forward to co-operation in other projects which could assist the economic development of the P.R.Y.

The sessions were held every day, except Friday, from 8.30 to 14.00 with two breaks. Most of the lecturing was done in Arabic although almost all participants had a good working knowledge of English. The lectures of Mr. Angelov and his statements during the discussions were made in English.

The workshop was chaired by Mr. M. Said Ali from IDCAS. The punctuality of the lecturers and participants was good.

The closing session was held on the evening of 13 February in the presence of 50-60 participants and guests, among them: Mr. Ali Alim El Beid, Minister of Planning; Mr. Abdel Azziz Abdel Wali, Minister of Economy and Industry; the Director General of the Yemen National Bank, senior Government officials, the Resident Representative of the UNDP, Mr. Dalal, as well as some UN experts working in Aden.

Publicity was given to both the opening and closing sessions of the workshop by the information media - television, radio, newspapers.

### 3. PARTICIPANTS IN THE WORKSHOP

The 30 participants nominated by the Government of the PDRY were from the Ministry of Economy and Industry, the Central Planning Commission, Ministry of Works, Ministry of Finance, Ministry of Agriculture and Agrarian Reform, Yemen National Bank, Central Statistical Office, National Shipping Company, Aden Port Authority, Public Water Authority. Twenty-eight of the 30 participants were university graduates. Twenty-eight were born after 1940. Most of them were economists with only 6-7 engineers. Most of the participants had some knowledge of project evaluation, but almost all of them lacked systematic theoretical knowledge of techniques of project preparation and evaluation and possessed only limited practical experience in this field. A list of the participants is included in Appendix I.

With practically no exception the participants demonstrated great interest in the training workshop, attended the sessions regularly, asked questions, shared experience and raised many pertinent points for discussion. Very often the discussion was so active that it was difficult to distinguish it from a seminar on this subject. This was due to the good background of the participants and to the wish, clearly expressed by them, to become better acquainted with the subject as well as to the particular attention with regard to the workshop shown by very senior Government officials. The minister of Planning and the Minister of Economy and Industry found time to attend some of the business sessions of the workshop.

### 4. OUTLINE OF THE WORKSHOP

The workshop comprised presentation of the most essential techniques for preparation and evaluation of industrial projects in a developing country. The presentation of these techniques took approximately 55 hours of lectures and 15 hours of discussion related to the lectures. Approximately 24 hours were devoted to the presentation of a case study

on a cement plant and two exercises and their solution by the participants with the assistance of the experts. Most of them were able to solve the last exercise almost independently with only minor assistance from the experts. The case study and the exercises were distributed among the participants in Arabic.

The main subjects taught at the workshop were the following:

1. Interrelationship between national, sectoral and project planning; stages in project planning;
2. Importance and nature of market and demand analysis. Methods of demand forecasting;
3. Basic concepts related to technical aspects of project preparation; production, technology, manpower, training and management; project design; infrastructure; plant location; site location;
4. Basic concepts and framework of economic analysis - investments, operating costs, cash flow analysis;
5. Basic principles in project evaluation; connexion between project preparation and evaluation; commercial versus national profitability;
6. Commercial profitability analysis - basic concepts, break-even point, pay-back period, internal rate of return, present value;
7. National profitability analysis - basic concepts, value added effect, foreign exchange effect, employment and distribution effect; project evaluation and pricing; national parameters.

The training programme also included a visit (13 February) to a cigarette factory in Aden. This was a good opportunity to illustrate some of the subjects taught at the workshop.

## 5. PARTICIPATING EXPERTS

The lecturing at the workshop was done by the following experts:

- Mr. Hassan Heshny, Central Auditing Organization, Cairo, recruited by UNIDO
- Mr. Youssry Khalifa, Professor, University of Cairo, recruited by IDCAS
- Mr. Kamel Maksoud, Director General, Metallurgical Projects, General Organization for Industrialization, Cairo, recruited by IDCAS
- Mr. Ivan Angelov, Industrial Policies and Programming Division, UNIDO

The lecturers had to select the most essential of the techniques for project preparation and evaluation and present them in a simplified way. To our satisfaction, all experts in most of their lectures did this successfully. The lectures were theoretically well-founded and at the same time presented in a simple way for easier understanding by the participants. The utilization of a number of simple illustrative numerical examples and charts on the blackboard, the presentation of relatively simple case study and exercises taken from the region, the very informal and business-like atmosphere between lecturers and participants, distribution among the participants prior to and during the workshop of a number of reference materials (most of these translated by IDCAS into Arabic) all contributed to the success of the workshop. A list of the reference material is attached as Appendix II.

## 6. APPRAISAL OF THE WORKSHOP

The last session was devoted to the evaluation of the workshop by the participants. They made statements and expressed their appreciation of the workshop. Furthermore, all participants were invited to complete a questionnaire in Arabic without indicating their names. The questions and the answers are as follows:



1. What do you think about the duration of the workshop?
  - The prevailing answer was that it was too short; some found it suitable
2. How do you evaluate time allocated for lecturing on one side and for case study and exercises on the other side?
  - The prevailing answer was that it was acceptable but some thought that more should have been allocated to case studies.
3. What is your opinion about the lectures?
  - The almost unanimous answer was excellent and very good.
4. What did you learn from this workshop?
  - Most of the participants enumerated the different techniques for project preparation and evaluation.
5. Which documents did you study prior to the workshop?
  - The great majority of them said they studied the documents distributed prior to the workshop.
6. Which documents did you study during the workshop?
  - All participants stated that they read most of the documents distributed during the workshop.
7. What did you like most about the workshop?
  - The prevailing answers were as follows: the good preparation, the level of the discussions, the level of the lectures, the nice atmosphere, the frankness, the exchange of opinions.
8. What did you not like about the workshop?
  - The prevailing answer was: the short time. Some said the English language of some documents, some lectures contained more theoretical aspects than necessary, more factories should have been visited; the conference hall was too far.

9. What are your views concerning the administrative arrangements for the workshop?

- The prevailing answer was very good preparation and implementation.

10. What are your recommendations to IDCAS and UNIDO in relation to their future work on project preparation and evaluation in the PDRY?

- The recommendations are dealt with in the following section of the report.

#### 7. RECOMMENDATIONS OF THE WORKSHOP

At the closing session of the workshop, the participants put forward a number of pertinent recommendations addressed to UNIDO and IDCAS. The most important of these are as follows:

- a) Training workshops on project evaluation to be held in the future in developing countries should last at least three or four weeks;
- b) UNIDO and IDCAS should organize in the PDRY as a continuation of the present workshop a training course on project implementation. This course could possibly be held for participants from the People's Democratic Republic of Yemen and the Arab Republic of Yemen;
- c) Participants from the PDRY should be invited to attend regional training workshops and seminars on project preparation and evaluation in order to upgrade their skill and exchange experience with participants from other countries. Fellowships on this subject should also be given to PDRY;
- d) UNIDO and IDCAS should send regularly to PDRY relevant documentation on this subject;

- e) UNIDO and IDCAS should assist the two Yemeni States in co-ordinating their economic development policies in order to avoid duplication, unnecessary competition and better utilization of the scarce national resources;
- f) The workshop should continue to be operational by holding monthly sessions with lectures to be delivered by the UNIDO experts from the Industrial Advisory Unit attached to the Ministry of Economy and Industry.

#### 8. FOLLOW-UP ACTION:

Based on the recommendations made by the participants, the following was agreed with the Ministry of Economy and Industry, the Resident Representative of the UNDP in Aden and the team leader of the Industrial Advisory Unit:

a) The three UNIDO experts (the mechanical engineer-team leader, the industrial economist and the cost accountant), in consultation with the Ministry of Economy and Industry, will prepare a follow-up training programme to hold special lectures and discussions on specific topics in the field of project preparation and evaluation once a month with the participants in this workshop as well as other specialists. The lectures will be given by the UNIDO experts. The holding of this special, additional training programme as well as regular consultations with local specialists within their field of competence will be considered by UNIDO, UNDP and the Government as an indivisible part of their duties.

b) The 30 participants in the workshop will be split into units: technical, market, economic and evaluation and will act under the guidance of good specialists (local or UN experts) as a collective adviser to the Government of the PDRY in examining prefeasibility or feasibility studies as well as offers from other countries for preparation, evaluation and selection of projects to be implemented in compliance with the new Five Year Development Plan.

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Finally, we would like to emphasize that the administrative arrangements made and the facilities provided by the Government authorities were very adequate and contributed to the smooth running of the workshop.

## APPENDIX I

### List of Participants

1. **Hussain Ali Aswad**                      Planning Officer, Ministry of Economy and Industry
2. **M. Hamed Ali Saeed**                  Director of the Trade Department, Ministry of Economy and Industry
3. **Ahmed Ali Gowan**                    Industrial Officer, Ministry of Economy and Industry
4. **Ahmed Said El-Ghoni**                Financial Controller of the Spinning and Weaving Factory, Ministry of Economy and Industry
5. **Abdalla Salam El-Khair**              Head of the External Affairs Department, Ministry of Economy and Industry
6. **Adil Ibrahim Gaball**                 Director of the Minister's Office Ministry of Economy and Industry
7. **Aida Salam Abdel**                    Planning Officer, Ministry of Economy and Industry
8. **Salim Abdel Rahman El-Ahara**        Industrial Officer, Ministry of Economy and Industry
9. **Zaim Munawar Sherif**                Director of Slatter House, Ministry of Economy and Industry
10. **Omer Ahmed El-Grabi**              Engineer, Ministry of Economy and Industry
11. **Kamal Abdel-Rahim Mohamed**         Director, Technical Co-operation Division, Central Planning Commission
12. **Ahmed Ali Abdel Saddiq**            Planning Officer, Central Planning Commission
13. **Abdalla Ahmed Motariz**            Planning Officer, Central Planning Commission
14. **Mani Ahmed Ali**                     Director, Economic Division, Central Planning Commission
15. **Husseia Mohamed Salam**            Planning Officer, Central Planning Commission
16. **Gaffar Hamed Mohamed**            Planning Officer, Central Planning Commission

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List of Participants

17. **Abdel Azziz Abdalla Basma** Currency Officer, Yemen National Bank
18. **Ali Abdel Salam Mohamed** Currency Officer, Yemen National Bank
19. **Ahmed Huzza Ghali** Planning Officer, National Shipping Company
20. **Kamal Ali El-Kamrani** Director, Planning, Research and Statistics, Aden Port Authority
21. **Annwar Abdel-Ghadir Garfara** Planning Officer, Ministry of Agricultural and Agrarian Reform
22. **Suliman Abdalla Nasir** Head of Road Construction Division, Ministry of Works
23. **Saleh Abdalla El-Assani** Engineer, Public Water Authority
24. **Ahmed Ahmed Abdel-Ghadir** Director, Planning Division, Ministry of Works
25. **Mohamed Abdalla Bash-Rahel** Director, Research and National Accounts Division, Central Statistical Office
26. **Osman Abdel Gathar** Director, Statistical Department, Central Planning Commission
27. **Faruk Hamza Anman** Planning Officer, Ministry of Finance
28. **Salwa Mubarak Annbar** Planning Officer, Central Planning Commission
29. **Awad Abdalla Seif** Planning Officer, Central Planning Commission
30. **Abdalla Mohamed El-Aghraby** Chief Auditor in Charge, Ministry of Economy and Industry

ANNEX III

List of Reference Material

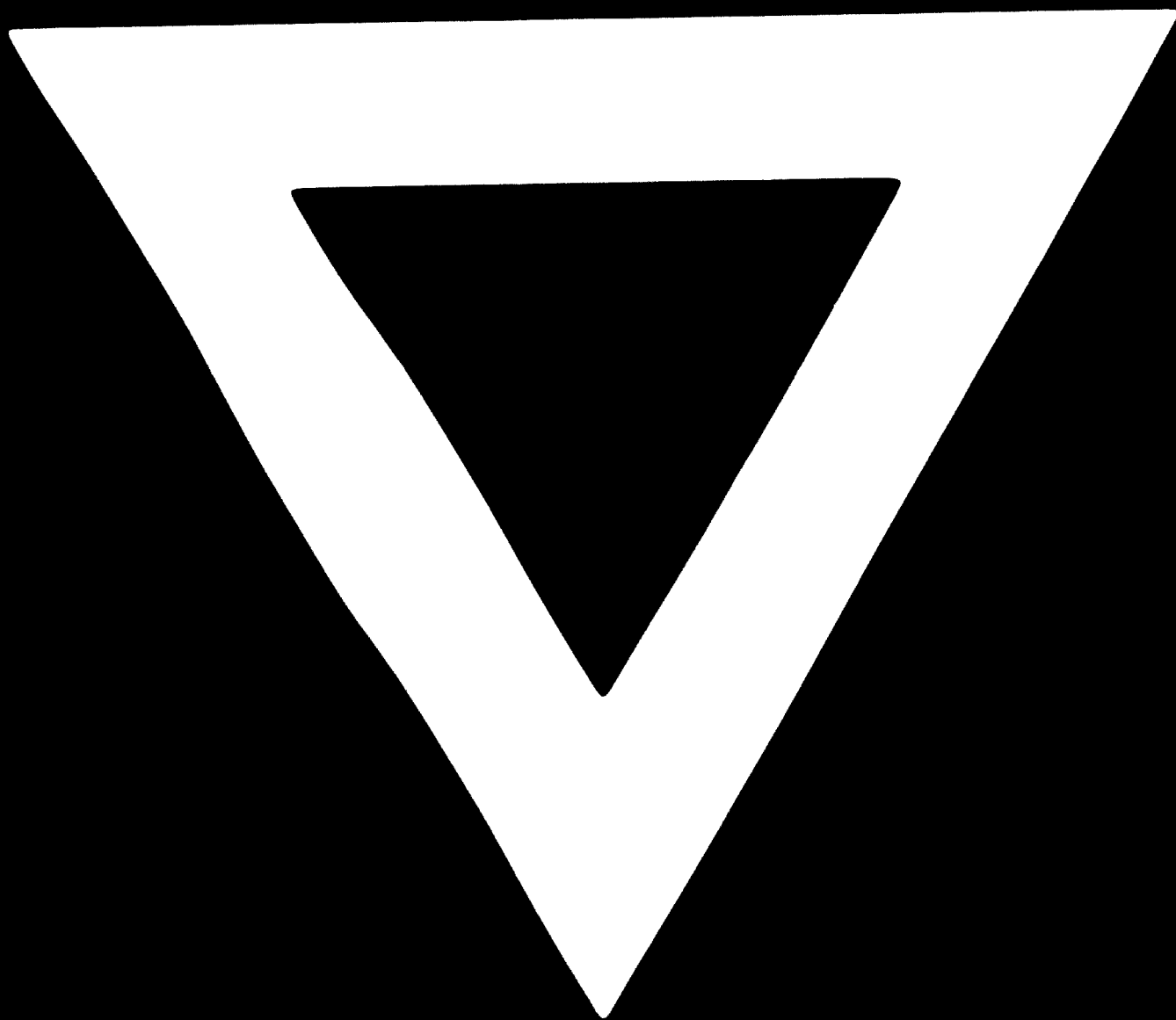
1. An Arabic summary of Part I and II of the Guidelines for Project Evaluation, prepared by Mr. H. Hossny
2. Stages of Industrial Project Development (Classification of Pre-Investment Studies), UNIDO/IPP/5 (in Arabic)
3. "Essential Elements in the Preparation of Industrial Projects", an article from the UNIDO publication Evaluation of Industrial Projects (in Arabic)
4. Checklist of Project Information, ID/WG.52/4 (in Arabic)
5. Stages of Project Preparation (Introductory Study), ID/WG.52/1 (in Arabic)
6. Checklists for Individual Studies and Planning Stages used in Project Screening Operations, ID/WG.52/3 (in Arabic)
7. Extracts of Industrial Feasibility Studies (first 4 pages only) ID/WG.52/2 (in Arabic)
8. Basic Concepts in Project Evaluation, UNIDO/IPP/5
9. "An Introduction to Industrial Planning", an article in Industrialization and Productivity Bulletin, No. 10 (in Arabic)
10. "Guidelines for Financial Feasibility Analysis", prepared by Mr. H. Hossny
11. Detailed Summary of Lectures on Technical Aspects of Project Preparation (in Arabic), prepared by Mr. K. Maksoud
12. Detailed Summary of Lectures on Marketing Aspects of Project Preparation (in Arabic), prepared by Mr. Y. Khidr

List of Reference Material

13. Interrelationship between central and peripheral planning, prepared by Dr. I. Angel
14. A Case Study of a Portland Cement Project
15. An Exercise on a Feasibility Study
16. An Exercise on Perfumed Soap Factory







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