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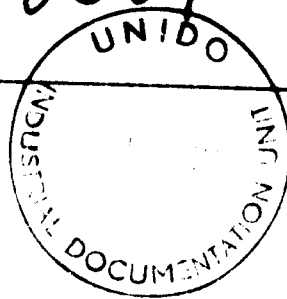
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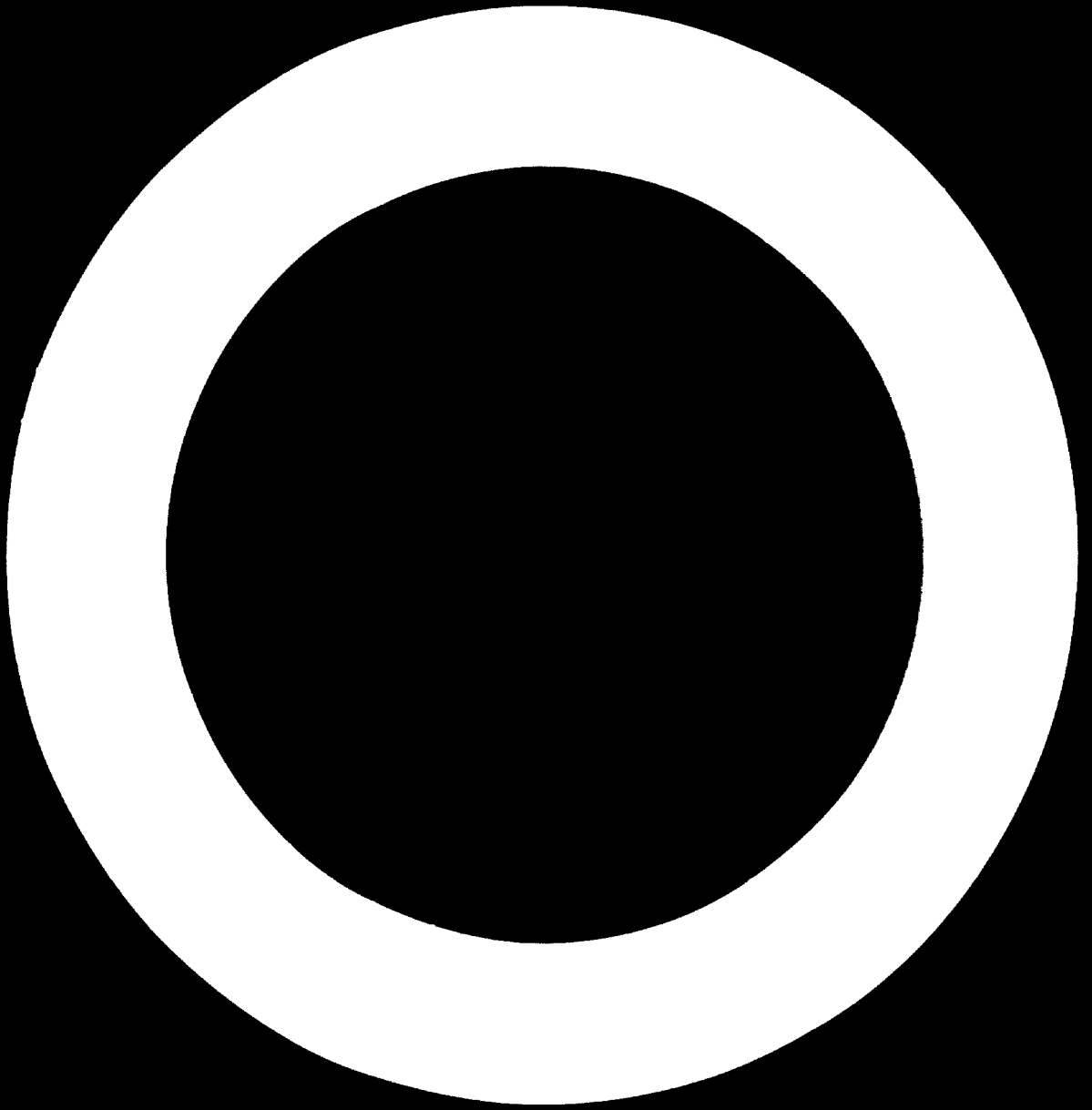
UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of the United Republic of Tanzania.

INDUSTRIAL PROJECT EVALUATION SEMINAR (1975).

d.75-4648

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UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of the
UNITED REPUBLIC OF TANZANIA

Title: Industrial Project Evaluation Seminar
Number: URT/75/xxx Duration: 2 weeks
Sector: Industry (35)
Subsector: Industrial planning and programming (3510)
Government co-operating Agency: Ministry of Economic Affairs and Development Planning (with the Ministry of Commerce and Industries)
Executing Agency: United Nations Industrial Development Organization (UNIDO)
Date of submission: Starting date: October 1975
Government Contribution: Shs.80,000 (local currency)
UNDP Contribution: \$ 8,000 (US Dollars)

Approved: _____
on behalf of the Government
(Signature)

Date: _____

on behalf of the Executing
Agency (Signature)

Date: _____

on behalf of UNDP
(Signature)

Date: _____

I. BACKGROUND AND SUPPORTING INFORMATION

A. Justification for the Project

The UNDP/UNIDO project "Industrial Strategy" (DP/URT/71/005) assisted the Government during the period 1972 through September 1975 in the formulation of a long-term industrial strategy and based thereon the preparation of the Industry Chapter of the Third Five Year Plan.

The project is presently in its final stage. The stipulated activities have been successfully completed. A long-term industrial strategy was developed which emphasizes the use of domestically available resources to meet home market demand through development of basic industries. The strategy requires industry to produce primarily for the domestic market and to contribute to employment, rural development and income equality.

For the implementation of the strategy national parameters and an industrial project appraisal manual were elaborated. The strategic goals were thus translated into criteria for project evaluation. The use of appropriate methods for evaluating investment projects as to their national benefits and costs will be essential for:

- ensuring profitability from national view point
- selection among different projects
- selection among different technologies
- selection of locational alternatives
- selection of timing

It is considered necessary to have this project evaluation methodology introduced to the various categories of Tanzanian staff engaged in preparing, evaluating and selecting industrial investment projects and to ensure its application.

The project aims at:

- (i) familiarizing executives and Government officials in the principles of national benefit-cost analysis and in the application of the Tanzanian national parameters - based on the industrial strategy - for selecting projects

- (ii) training professional staff engaged in project preparation and evaluation in ministries, parastatals, banks, etc., in the practical application of the Industrial Project Appraisal Manual for Tanzania.

The Seminar will therefore consist of two parts:

- a) a seminar for executives (1 day)
- b) a seminar for professional staff (10 days)

The project will provide the teaching staff and required teaching materials.

Tentative schedule of work:

- Day 1 Seminar for high-level officials and executives
Official opening
Lectures:
- The Concepts of Project Preparation and Evaluation
- National Parameters of Tanzania
- The National Benefit-Cost Analysis Methodology for Tanzania
- Day 2 - Seminar for professionals
11
- Stages of project preparation
- Market study
- Commercial evaluation
- Discounted cash-flow analysis
- The concept of national economic evaluation
- National parameters
- Application of the method on actual cases using the Handbook on Project Evaluation
Closing session with discussion

B. Institutional Framework

The request is submitted for the Ministry of Economic Affairs and Development Planning (DEVPLAN). The Ministry is in charge of overall economic and industrial planning in Tanzania. The Ministry is the co-operating agency also for the Industrial Strategy Project.

The Seminar will be carried out under the auspices of DEVPLAN (Sectoral Planning Division, Industry Section) and the Ministry of Commerce and Industries with its Industrial Studies and Development Centre (INDCENTRE).

INDCENTRE will serve as the secretariat for the seminar and will also be involved in the preparatory activities in close consultation with DEVPLAN and UNIDO Headquarters.

The Executive Seminar is meant for Principal Secretaries and Commissioners (mainly of the Ministries of Commerce and Industries; Economic Affairs and Development Planning; and Finance), regional development directors, general managers of the parastatal organizations and senior planning officers.

The Seminar for professional staff is meant for Tanzanian staff directly engaged in the preparation and evaluation of industrial projects such as sectoral officers and industrial economists of the Ministries and the Prime Minister's office as well as staff of the parastatal development corporations including TIB and TDFL. INDCENTRE staff will be involved as well.

C. Provision for Government Follow-up

Upon completion of the Seminar the participants will be able to apply the methods and techniques in the actual project planning work.

D. Other Related Activities

On-the-job training in basic industrial project preparation and evaluation is being carried out by the UNDP/UNIDO assistance projects in INDCENTRE, NDC and in the Strategy Project. These projects also have provision for training abroad in these fields through international fellowships. The Seminar is, however, directed to the specific use of Tanzanian economic parameters.

E. Future UNDP Assistance

It is possible that assistance for a similar seminar will be required for further staff categories. The need for this will be assessed at the time of the first seminar.

II. OBJECTIVES OF THE PROJECT

This project is not included in the UNDP country programme for Tanzania.

A. Long-range Objectives

The project aims at introducing appropriate industrial project evaluation methods as a means to implementing the country's long-term industrial strategy.

B. Immediate Objectives

The immediate objectives are as follows:

- (i) To familiarize about 40 high-ranking Government officials and executives in the principles of national benefit-cost analysis of industrial projects based on the country's industrial strategy
- (ii) To train about 40 professionals in the ministries and parastatals in the use of national benefit-cost analysis in accordance with national parameters as laid down in the industrial strategy.

This project has no direct investment potential. It will, however, significantly contribute to improving the evaluation and selection process of investment projects.

III. WORK PLAN

A. Description of Project Activities

<u>Preparatory activities</u>	<u>Location</u>	<u>Timing *</u>
a) Final determination of timing		June
b) Booking and start of organization of conference services	Dar es Salaam	July
c) Invitations to potential participants	Dar es Salaam	July
d) Selection of participants	Dar es Salaam and Vienna	Aug.
e) Preparation, collection and arranging of training material	Dar es Salaam and Vienna	Aug.-Sept.
f) Selection and appointment of the lecturers	Dar es Salaam and Vienna	July

Activities

- | | | |
|--|-----------------|-------------------|
| a) Seminar of high-level Government officials and executives on national benefit-cost analysis based on Tanzania's long-term industrial strategy | Dar es Salaam | one day, mid-Oct. |
| b) Seminar for professional staff on industrial project evaluation | Dar es Salaam** | 10 days, mid-Oct. |

B. Description of UNDP Inputs

Assignment of International Staff

(i) Consultants

Three consultants on industrial project evaluation. The consultants will lecture on national benefit-cost analysis of industrial projects in the light of the country's long-term industrial strategy and based on the Industrial Project Appraisal Manual for Tanzania. They will prepare the final

* The Timing is given as tentative proposal showing the approximate time requirement and sequence of activities, assuming timely processing of the request and taking mid-October as the preferred date for the Seminar. The final determination of timing depends on the time of project approval as well as on the Government's final preference.

** Premises to be in the University or in one of the large hotels

teaching material and give lectures according to a specified schedule to be worked out. Total time of the consultants' services will be two man-months. The consultants should be highly qualified in the field of project evaluation and should be well acquainted with the country and its development objectives.

(ii) Agency Staff

One UNIDO staff member to participate in all activities of the project. In addition UNIDO experts assigned to INDCENTRE and other bodies will be directly involved in preparing and carrying out the seminar.

C. Description of Government Inputs

Pre-requisite Activities

Jointly with UNIDO and its INDCENTRE staff the Government will undertake the above listed preparatory activities.

Training

The Government will provide for the full payment of the participants' normal salaries and other normal allowances during the time of the Seminar.

Equipment

The Government will provide the necessary lecture hall and all other facilities required for the Seminar.

Miscellaneous

(i) The Government will bear the cost of local transport, i.e. the travel of participants from their town of residence Dar es Salaam and back; regular bus service between the centre of Dar es Salaam and the location of the Seminar (if outside the central part of the city, e.g., at the university), and the cost of providing local travel for the international staff.

(ii) Sundry

Hospitality expenses will be borne by the Government

PROJECT BUDGET COVERING UNDP CONTRIBUTION
(in US Dollars)

Country: United Republic of Tanzania
Project No.: URT/75/xxx
Project Title: Industrial Project Evaluation Seminar

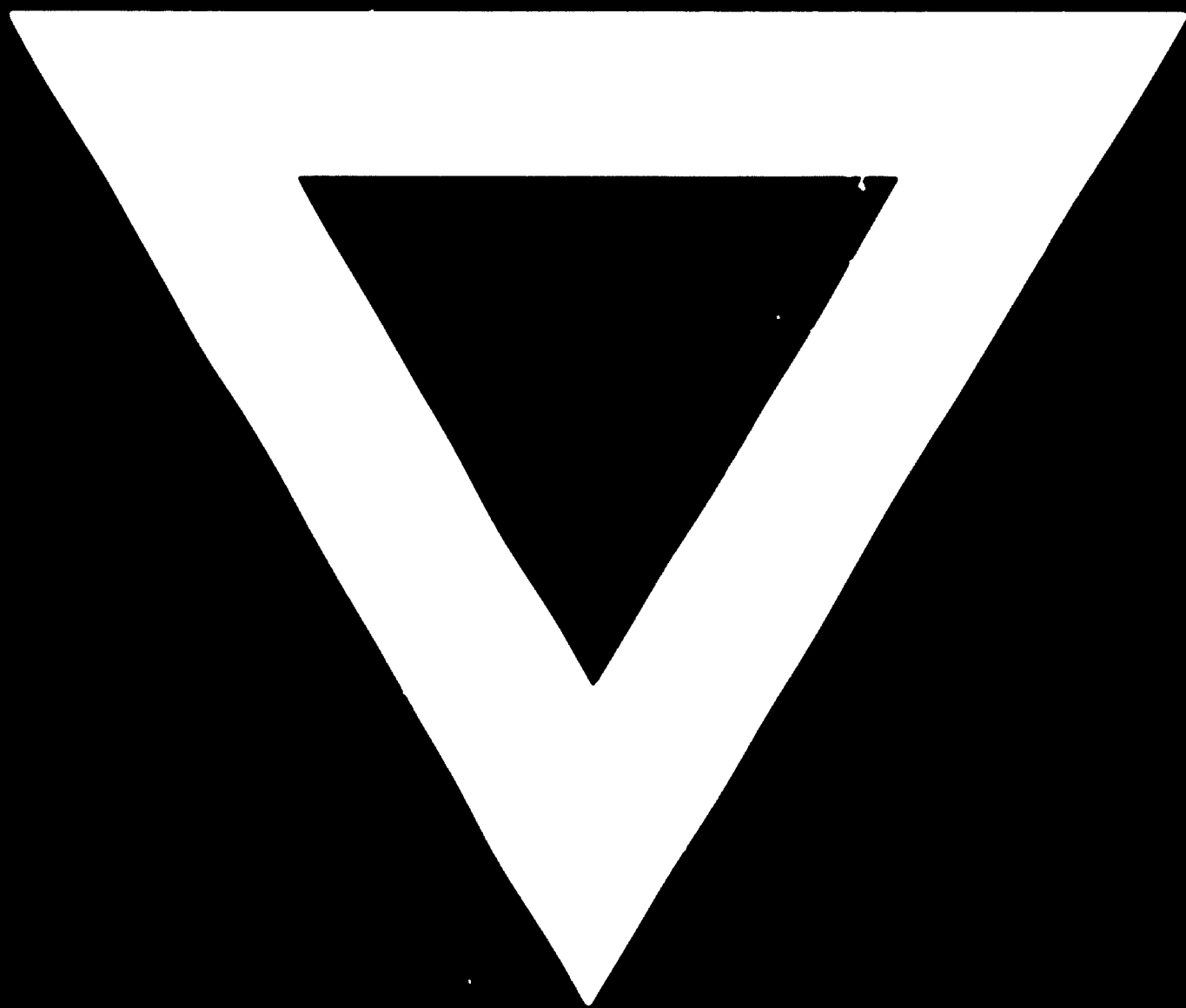
	<u>Total</u>		<u>1975</u>	
	<u>m/n</u>	<u>\$</u>	<u>m/n</u>	<u>\$</u>
10. <u>Project Personnel Component</u>				
11. <u>Experts</u>				
11-01 Consultants	2	5,000	2	5,000
16 Agency Personnel	-	2,000	-	2,000
19 Component total	2	3,000	2	3,000
99 GRAND TOTAL	2	8,000	2	8,000

PROJECT BUDGET COVERING GOVERNMENT CONTRIBUTION IN KIND
(In Tanzanian Shillings)

Country: United Republic of Tanzania
Project No.: URT/75/xxx
Project Title: Industrial Project Evaluation Seminar

	<u>Total</u>	<u>1975</u>
	T.Shs.	T.Shs.
30. <u>Training</u>		
31. Maintenance of participants	65,000	65,000
49. <u>Equipment</u>	5,000	5,000
59. <u>Miscellaneous</u>	10,000	10,000
99. GRAND TOTAL	<u>80,000</u>	<u>80,000</u>





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