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OCCASION

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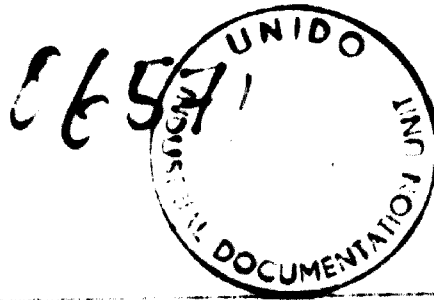
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UNITED NATIONS
DEVELOPMENT PROGRAMME
New York
1975

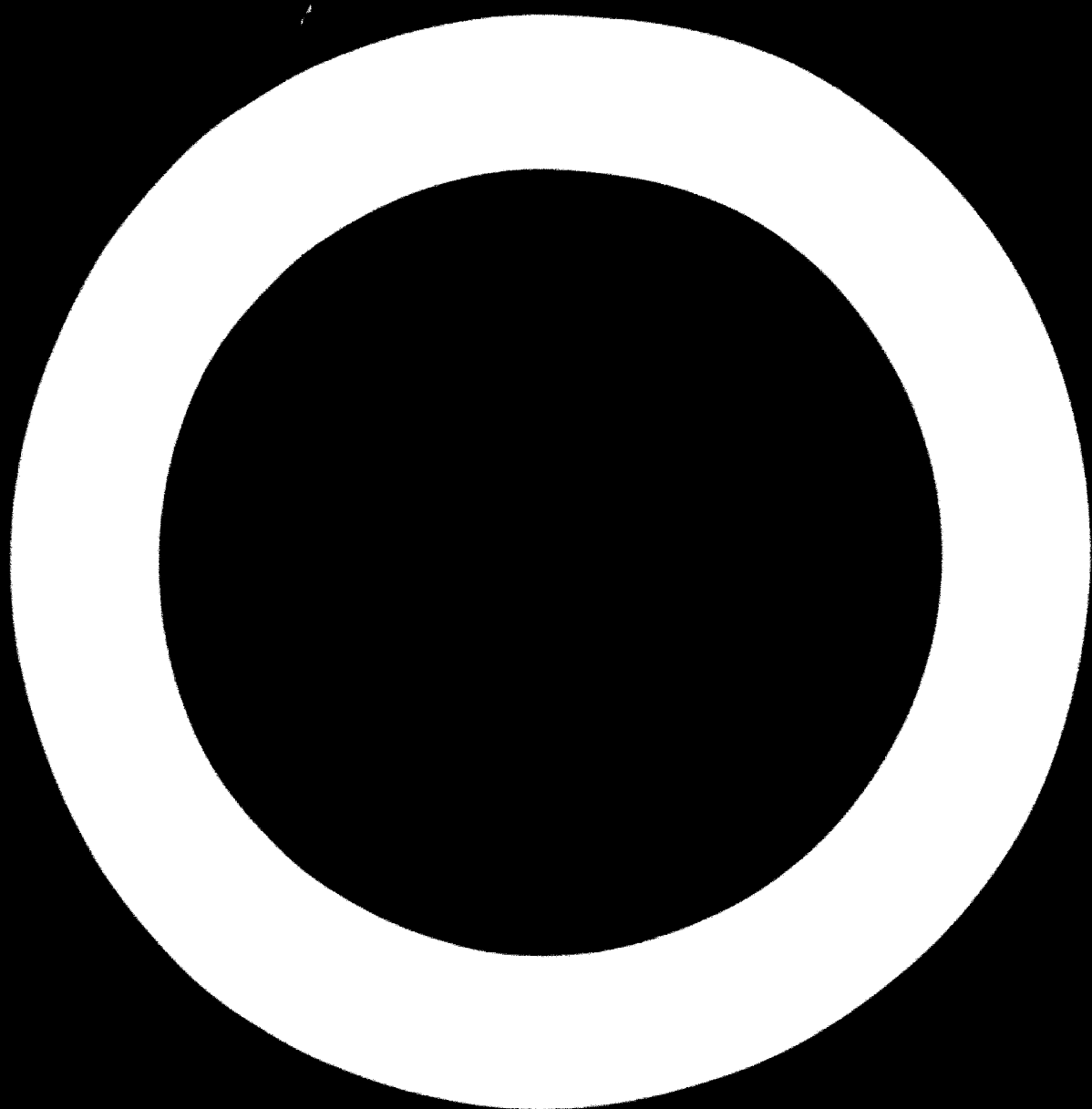
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UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of the United Republic of Tanzania.

ASSISTANCE TO NATIONAL DEVELOPMENT CORPORATION (NDC),

Phase III. (1975).



UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of the
UNITED REPUBLIC OF TANZANIA

Title: Assistance to NDC (Phase III) Duration: 2 years

Number: UNT/75/xxx

Sector: Industry

Subsector: Establishment and extension of manufacturing
industries.

Government Co-operating Agency:
Ministry of Commerce and Industries

Executing Agency:
UNIDO

Date of submission:

Starting Date: Jan. 1976

Government Contributions T.Sh. 840,000

UNDP Contributions:
US Dollars 758,000

Approved:

on behalf of the Government
(Signature)

Date

on behalf of the Executing Agency
(Signature)

Date

on behalf of UNDP
(Signature)

Date

1. BACKGROUND AND SUPPORTING INFORMATION

A. Justification for the Project

NDC is the country's leading parastatal organisation in the field of industry with the dual function of a holding company of a large number of industrial establishments on the one hand and a development corporation for identifying, promotion and implementing new investment projects on the other.

The magnitude of present and future NDC operations can be seen from the list of existing subsidiary companies and the list of the various new investment projects presently under implementation or preparation.

NDC Headquarters is thus charged with substantial and increasing responsibilities to identify and implement investment opportunities and to co-ordinate, support, guide, control and supervise the operating plants in order to ensure sustained growth in the industrial branches which NDC is covering. It is essential that NDC has to its disposal highly qualified staff to carry out these tasks.

NDC Group Companies in Operation:

1. Tanzania Tanneries Ltd.
2. Tanzania Shoe Company Ltd.
3. Tanzania Hides and Skins Ltd.
4. B.A.T. Tanzania Ltd.
5. Tanzania Distilleries Ltd.
6. Tanganyika Instant Coffee Ltd.
7. Tanzania Breweries Ltd.
8. Kibo Paper Industries Ltd.
9. National Printing Company Ltd.
10. Printpak Tanzania Ltd.
11. Tanzania Publishing House Ltd.
12. General Tyre East Africa Ltd.
13. Tanzania Fertilizer Company Ltd.
14. Tanganyika Terry Plastics Ltd.
15. Aluminium Africa Ltd.
16. Metalbox Company Ltd.
17. Ntava Ltd.

- 19. ...
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INDUSTRY GROUPS

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INDUSTRY GROUPS

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INDUSTRY GROUPS

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10. The total equity fund in ... during the next three years ... million and loan capital needs of ...

In order to carry out the above mentioned functions, UNDP will have to provide technical assistance in the form of consultants, experts, and staff, as well as to provide training to local personnel.

Presently, UNDP is providing technical assistance staff in the form of consultants and experts.

Present UNDP Assistance

UNDP has been assisting UNIC (UNIDO) since 1973 through three separate projects comprising 4-5 expert posts. In the present project (P/77/00/010) a Director of Marketing (OP17) and a Director of Development (OP18) are provided to UNIC. The project entered in force in 1975. A third post - Industrial Market Experts (OP19) - was never filled and was suspended last year, apparently in view of a large-scale assistance project being considered.

The past and present UNDP/UNIC assistance has undoubtedly had a significant impact on the UNIC operations and on actual development. The experts have been fully integrated in the UNIC organization and have been entrusted with substantial responsibilities.

The need for assistance

The project aims to assist UNIC in various UN functions.

The UNDP/UNIC assistance to UNIC is needed to strengthen the corporation and enabling it to carry out its important functions as a holding and development corporation. The assistance is expected to have a direct impact on industrial development by bringing about new investment on the one hand, and supporting the performance of operating plants on the other.

It was decided to confine the duration of the Project to two years. It is assumed that in subsequent years the magnitude of assistance would need to be kept at approximately the same level. However, the precise time and magnitude of problems and tasks that UNIC will be confronted with in 1978-80 and the required activities to handle these obviously cannot be predicted in any reasonable accuracy at this stage.

B. Institutional Framework

The administrative location of the project will be NDC. Its parent ministry is the Ministry of Commerce and Industries. As was mentioned above, NDC is a parastatal organization in charge of project development and capital share holding in a number of specified industrial branches. Other parastatal development organizations responsible for specific industrial branches are listed below:

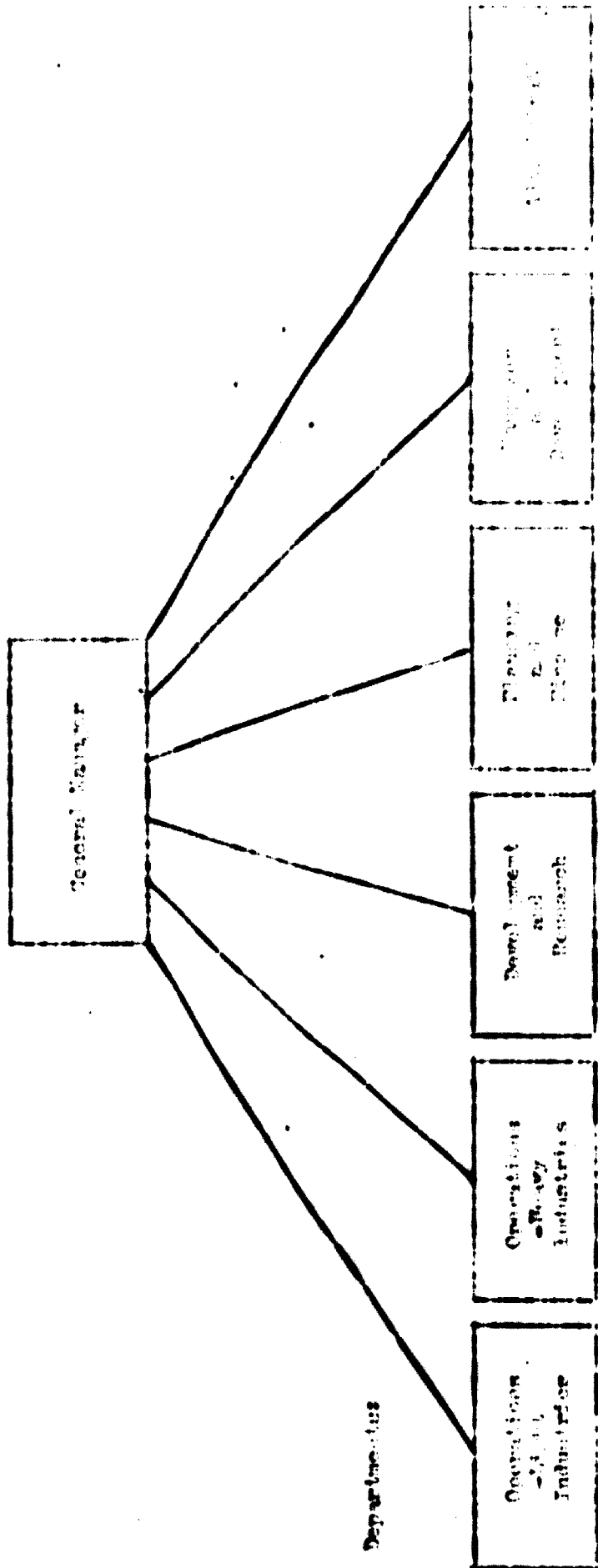
NAFICO	(Food Industries)
TEXCO	(Textile Industries)
STAMICO	(Mining based industries)
TWICO	(Wood Industries)
TPDC	(Petroleum industries)

NDC's organizational structure is shown in page 6.

The requested experts will be assigned to the respective department, except for two experts, who are to be attached directly to a subsidiary company, the National Engineering Company (NEC). This company is presently being transformed into a wholly owned NDC subsidiary. The experts are to form the technical core of the company's management.

NEC is a leading and premier engineering workshop catering to the needs of Tanzania. The total staff is 240. The production of ferrous and non-ferrous casting is to be increased from 25 to 300 tons per month by way of diversification and semi-automatic working, etc. The structural shop and general engineering machine shop need better facilities to cope with the desired substantial expansion.

Single Organizational Structure



Departments

C. Continuation of UNDP/UNICEF Assistance

This is a project of continuing importance to the Government of Guyana. It is expected that the project will continue with continued UNDP/UNICEF assistance. The project will carry on several projects in the area of industrial development.

The main strategy of the project is to provide technical assistance and training to the industrial sector in Guyana, with a view to increasing the productivity of the industrial sector.

D. Other related activities

Complementary UNDP/UNICEF assistance is being rendered to the Industrial Statistics and Development Centre (INDSTAT) which is expected to be continued to its present sponsor, the Guyana Industrial Consulting Organization (GICO).

INDSTAT is serving the parastatals and other bodies in providing pre-investment studies and in rendering consulting services to the operating plants. INDSTAT responds to specific, well-defined requests by these bodies and prepares complete or partial project studies and project evaluations as well as diagnostic reports of operational plants. INDSTAT is one of those bodies which to a large extent rely on the services of the Centre. The services are thus complementary to the executive, day-to-day activities to be carried out by the requested UNDP/UNICEF experts in INDSTAT.

Similarly the UNDP/UNICEF assisted National Institute for Productivity is offering general management training and management consulting services which may be used by INDSTAT for specified assignments.

E. Future UNDP Assistance

The project is to provide highly specialized expertise. With no systematic counterpart training is to be undertaken, it is expected that some of the project expert services will be required also after the stipulated 2-year period.

A detailed review of this need and of the achievements of the project should be undertaken in 1977 to specify the magnitude and nature of further UNDP assistance.

INDUSTRIAL DEVELOPMENT

This project will be included in the draft Second Five-Year Plan for 1976-1980.

4. Long-term objectives

The project is aimed at strengthening the NDC and Development Corporation in some of its major functions and thus to foster the country's industrial development through financing about productive investments and increasing efficiency in existing industries.

5. Immediate objectives

This project does not have a direct investment potential but will play a significant role in fostering industrial investment.

The immediate objectives are to assist NDC in:

- a) the determination of NDC's role in the long-run for fostering industrial development
- b) the formulation and up-dating of a development programme for NDC and for the NDC group companies
- c) the strengthening of NDC's operational activities and of the management of the NDC group companies
- d) the systematic investigation of new investment opportunities within the general framework of the NDC development programme
- e) the promotion and actual implementation of viable investment projects and expansion programmes
- f) alleviating the technical management problems of a specific industrial plant.

III. WORK PLAN.

A. Description of Project Activities

The experts will carry out operational activities within the framework of the day-to-day work of TDC.

These activities will be as follows:

1. Carrying out analyses of selected industrial branches for the identification of new suitable investment opportunities for TDC. Of particular significance will be the fertilizer, other chemical industries and the metal-working industry branches.
2. Investigating existing TDC industries to identify possibilities for expansion and/or diversification.
3. Preparing and evaluating industrial projects and expansion programmes.
4. Promoting selected investment projects.
5. Negotiating with potential foreign suppliers of capital and know-how.
6. Carrying out market research.
7. Reviewing and alleviating marketing problems of TDC companies.
8. Formulating and consolidating long-term, medium-term and annual investment plans for the TDC group as a whole.
9. Formulating and implementing of a TDC staff training programme through on-the-job training and through suitable courses.
10. Planning, co-ordination and control of project implementation.
11. Preparing engineering specifications for projects.
12. Contracting for industrial projects.
13. Carrying out plant engineer functions, such as introducing and operating proper maintenance and repair.
14. Operating the structural shop and general engineering machine shop of an industrial plant.

Timing of Project Activities

The activities to be performed by the project are of continuing nature. The activities will thus start in early 1976 and cover the two-year period until the end of 1977.

The project activities will basically be carried out in Dar es Salaam at the NBC Headquarters and in the National Engineering Company.

The project activities will be carried out in Dar es Salaam at the NBC Headquarters and in the National Engineering Company. The project activities will be carried out in Dar es Salaam at the NBC Headquarters and in the National Engineering Company. The project activities will be carried out in Dar es Salaam at the NBC Headquarters and in the National Engineering Company.

4. Responsibilities of NBC Manager

1. Industrial Development Centre

The expert is to report to the Director of the NBC and will be responsible for the project activities. The project activities will be carried out in Dar es Salaam at the NBC Headquarters and in the National Engineering Company. The project activities will be carried out in Dar es Salaam at the NBC Headquarters and in the National Engineering Company.

The expert should be able to adjust to the varying needs of NBC and to be able to carry out his duties in a flexible manner. He should be able to carry out his duties in a flexible manner. He should be able to carry out his duties in a flexible manner.

a) Industrial Development Centre (IDC) - Dar es Salaam

The expert will be responsible to the General Manager for identifying, formulating and evaluating new industrial projects and expansion programmes. He will lead and direct the investigations of specific industrial branches to identify investment opportunities, select industrial projects for promotion and prepare the necessary information and initiate actions to promote and implement projects. He will assist in negotiations with suppliers of capital and know-how. He will work closely with the management of the various NBC group companies and - for specific project studies - he will rely to a large extent on the services of the Industrial Studies and Development Centre. The post requires a university degree or equivalent in economics, business administration or engineering with considerable experience in industrial project planning and promotion, and broad knowledge of industrial branches.

a) Director of Financial and Planning (Finance) - 24 months

The expert will be responsible for the financial management of all matters concerning investment and financing. He will formulate proposals for long and medium-term investment and financing of the corporation and direct and coordinate the financial planning process of investment. He will be responsible for the financing of ITC activities. He must have a university degree in economics, business administration or equivalent with high level experience in planning and finance at the corporate level.

b) Planning Manager (IIC) - 24 months

The expert will be attached to the Department of Planning and Finance. Under the supervision of the Director of the Department he will formulate consolidated investment plans for new investments and expansion programmes for the ITC group as a whole. He will participate in the formulation of financing guidelines. The post requires a university degree in business administration, economics or equivalent with experience in investment planning.

d) Industrial Marketing Manager (IEM) - 24 months

The expert will be attached to the Development and Research Department. Under the supervision of the Director of the Department he will carry out market research for ITC and the ITC group companies. He will lead and carry out studies on the domestic market and on potential export markets for new products. He will in particular review prevailing marketing problems and formulate recommendations for product adaptation for foreign markets. For specific market studies he will to a large extent rely on the services of the Industrial Studies and Development Centre. The post requires a university degree in economics or business administration with extensive experience in market analysis and marketing of manufactured goods.

e) Industrial Training Liaison (ITL) - 24 months

The expert will be attached to the Development Department. Under the supervision of the Director of the Department he will identify the needs for training of VVO and VVO group companies staff in the various fields of activities (mainly technical) and formulate recommendations for systematic on-the-job and other training. He will establish and supervise training programmes for private companies. He will be responsible for handling the fellowship component of the project and for identifying and utilizing other fellowships (bilateral). The post requires considerable experience in technical training in industrial skills.

f) Industrial Project Implementation Co-ordinator (PIC) - 24 months

The expert will be attached to the Development Department. Under the supervision of the Director of the Department, he will plan, co-ordinate, guide and control all activities for implementing the VVO industrial investment projects. Presently there are seventeen such projects in various stages of preparation. The expert should be a mechanical or civil engineer with experience in project implementation scheduling and control.

g) Industrial Engineering and Construction Co-ordinator (IECS) - 24 months

The expert will be attached to the Development Department. Under the supervision of the Director of the Department and with the assistance of a few draftsmen, he will draw up civil engineering specifications of industrial investment projects and handle the contracting process for civil engineering works, including the preparation of bills of quantity, tenders, etc. He will also check the implementation of engineering works and if required, correct and speed up implementation. He will be

expected to have an expertise in the Industrial Studies and Development Centre which is required. The expert should be a civil engineer with experience in industrial project engineering and contracting.

b) Fertilizer Industry Specialist (FIS) - 12 man/mo

The expert will be attached to the Economic Planning and Development Department. Under the supervision of the Director of the Department he will study the existing fertilizer industries and their expansion programmes and advise on pertinent policies as well as distribution, purchasing, etc. He will prepare a long-term policy for the development of the branch. He will in particular assist in the implementation of a new fertilizer project. For specific consultancy and techno-economic studies he will be expected whenever required to rely on the services of the Industrial Studies and Development Centre. The expert should be a chemical engineer or equivalent with broad experience from the fertilizer industry.

1) Chemical Industries Specialist (CIS) - 21 man/mo

The expert will be attached to the Development Department. Under the supervision of the Director of the Department he will analyze the development potentials of the chemical industries branch. He will in particular work on the identification, preparation and implementation of NDC investment projects for the production of detergents, starch, caustic soda and related products. He will mainly deal with the technological aspects of these industries' development. For specific pre-investment studies and other techno-economic studies he will be expected to rely on the services of the Industrial Studies and Development Centre whenever required. The expert should be a chemical engineer with broad experience from the chemical industries branch. Particular knowledge of the manufacture of detergents and caustic soda would be desirable.

7) Mechanical Workshop (CPIB) - Singapore

The expert will be attached to the National Engineering Centre which is being transferred into a wholly owned NDC subsidiary. The expert will be part of the technical management of the company.

Under the direction of the Technical Manager, he will be responsible for the efficient operation of the mechanical workshops and for maintenance and repairs of the engineering complex. He will, in particular, be in charge of a tank repair and welding section and will train junior engineers in all relevant matters. The post requires a mechanical engineer with experience in heading a workshop.

8) Structural Division (CPIB) - Singapore

The expert will be attached to the National Engineering Centre which is being transferred into a wholly owned NDC subsidiary. The expert will be part of the technical management of the company. Under the direction of the Technical Manager, he will be responsible for the efficient operation of the structural steel shop. He will in particular be responsible for structures design and the fabrication of welded structures. He will control welding and specify machine requirements. The post requires a solid background in structural engineering and experience in heading a structural shop.

Provision is made for a mission for Agency personnel to conduct a review of the project and determination of further needs for assistance.

2. Salaries

No provision.

3. Training provisions

International fellowships to be provided for training of 20,000 staff abroad. The location will be determined later, when suitable training courses and corresponding instructors have been identified.

	<u>Salaries</u>	<u>Duration</u>
a) Industrial project preparation and evaluation (economists) (two international fellowships)	- 1976 - 1976	6 Months 3 Months
b) Industrial project preparation and implementation (engineer) (one international fellowship)	- 1976	4 Months
c) Financial analysis and management (one international fellowship)	- 1976	3 Months
d) Industrial Management (two international fellowships)	- 1977 - 1977	6 Months 6 Months
e) Industrial marketing (one international fellowship)	- 1977	6 Months
f) Pulp and paper manufacturing technology (three international fellowships)	- 1976 - 1976 - 1977	12 Months 12 Months 12 Months
g) Fertilizer manufacturing technologies (one international fellowship)	- 1977	6 Months

4. UNEP provided supplies and equipment

No provision.

5. Miscellaneous

No provision.

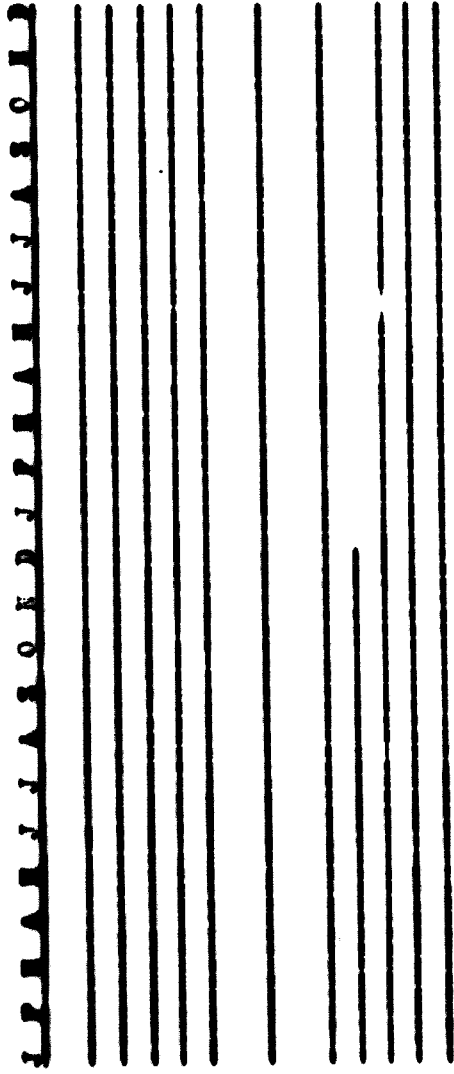
Annex 1

1. Local Staff - for 1950 and 1951
2. Assignment of National Staff
3. Movement of staff, salaries, and cost and supplies
4. Miscellaneous

BAR CHART

1976

1977



- 12-01 **Director of Planning and Finance**
- 12-02 **Director of Planning and Finance**
- 12-03 **Planning Manager**
- 12-04 **Industrial Marketing Manager**
- 12-05 **Industrial Training Manager**
- 12-06 **Industrial Project Implementation Coordinator**
- 12-07 **Industrial Engineering and Construction Coordinator**
- 12-08 **Fertilizer Industry Specialist**
- 12-09 **Chemical Industries Specialist**
- 12-10 **Mechanical Engineer**
- 12-11 **Structural Engineer**

11. **Full-time**

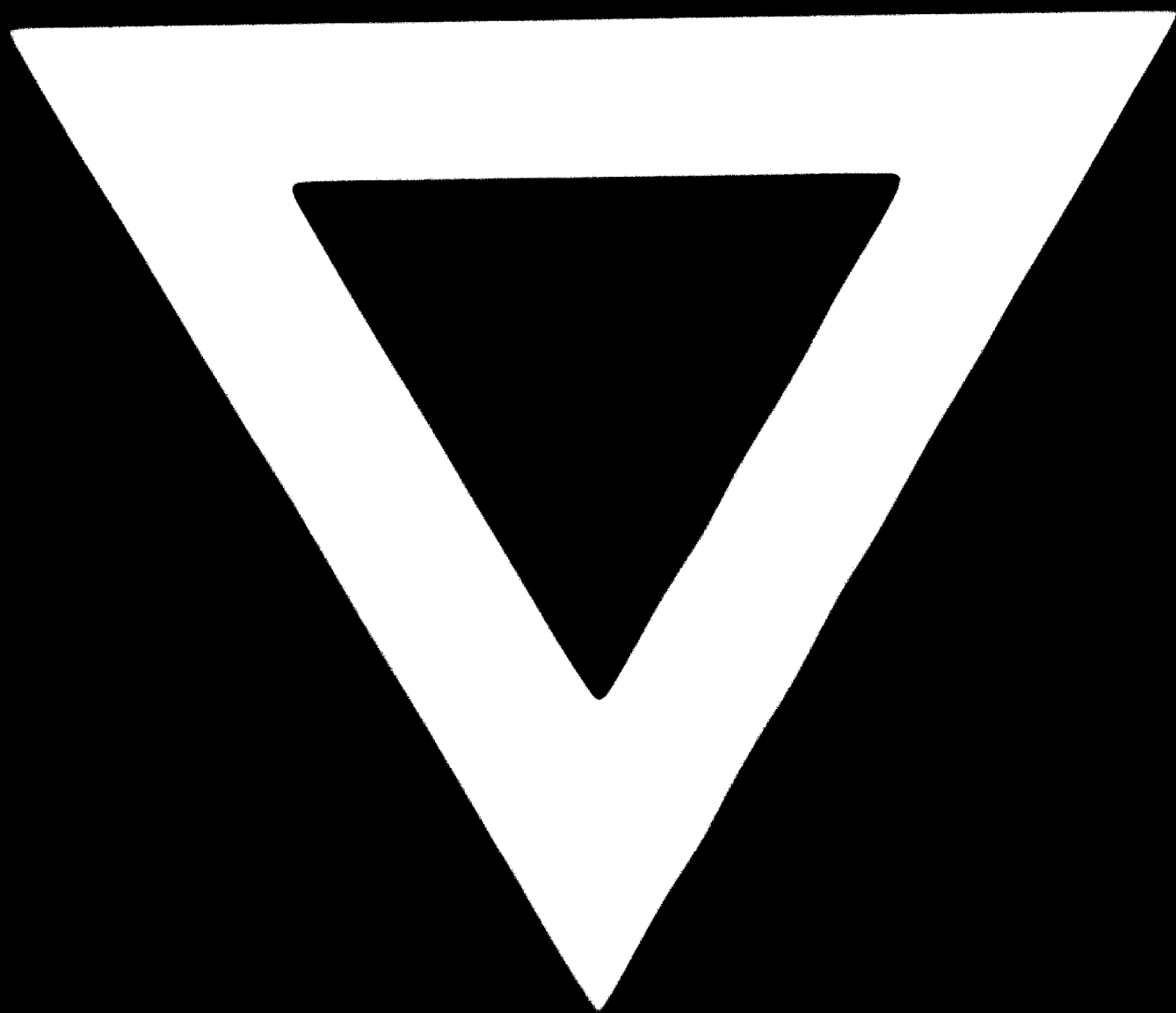
**PROJECT BUDGET COMPARISON CONTRACT NUMBERS BY KIND
(In Tanzanian Shillings)**

Country: **United Republic of Tanzania**

Project Numbers: **1974/75/III**

Project Titles: **Assistance to National Development Corporation (Phase III)**

No.	PROJECT NUMBERS (with appropriate contract numbers)	T O T A L		1974		1975	
		m/a	£	m/a	£	m/a	£
10.	PROJECT MANAGER						
12.	Director of Investment	24	80,000	12	40,000	12	40,000
12-01	Director of Investment	24	80,000	12	40,000	12	40,000
12-02	Director of Planning and Finance	24	80,000	12	40,000	12	40,000
12-03	Director of Finance	24	80,000	12	40,000	12	40,000
12-04	Industrial Marketing Manager	24	80,000	12	40,000	12	40,000
12-05	Industrial Production Manager	24	80,000	12	40,000	12	40,000
12-06	Industrial Project Implementation Coordinator	24	80,000	12	40,000	12	40,000
12-07	Industrial Engineering and Construction Specialist	12	40,000	12	40,000	-	-
12-08	Textile Industry Specialist	24	80,000	12	40,000	12	40,000
12-09	Chemical Industries Specialist	24	80,000	12	40,000	12	40,000
12-10	Mechanical Engineer	24	80,000	12	40,000	12	40,000
12-11	Structural Engineer	24	80,000	12	40,000	12	40,000
12	Component totals	252	800,000	132	400,000	120	400,000
19.	GRAND TOTAL	252	800,000	132	400,000	120	400,000



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