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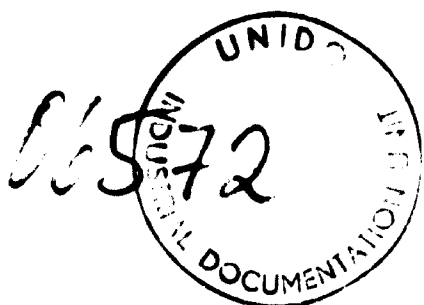
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UNITED REPUBLIC OF TANZANIA .

~~(IP/INT/74/026)~~

Report of Review Mission  
7-17 April 1975

*Miss rep.*

by

**Herman Nuegge**  
Industrial Development Officer



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## INTRODUCTION

The UNDP Resident Representative in Tanzania requested UNIDO to send a staff member for reviewing and formulating a request for assistance to the National Development Corporation (NDC). Subsequently the mission was asked to also look into other related UNDP/UNIDO projects and to formulate proposals for the inclusion in the next Country Programme. The Mission therefore reviewed the assistance to INDCEFTRE and to the Industrial Strategy Project.

The Mission was carried out by Mr. Herman Nueggs, Industrial Development Officer, Industrial Programming Section, Industrial Policies and Programming Division, UNIDO, and took place from 7 to 17 April 1975. One day was spent in Nairobi for consultations with Mr. W. Millager, SIDFA.

The Mission received considerable support from the Resident Representative and his staff, the Government Officials consulted and a great number of UNIDO experts. This support was greatly appreciated. The Mission is particular grateful for the valuable assistance received from Mr. A. Hagwall, Assistant Field Adviser. A list of the persons met is attached in Annex I of this report.

## 1. ASSISTANCE TO NATIONAL DEVELOPMENT CORPORATION (NDC)

### 1.1 Background

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, promoting 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.

The NDC Headquarters is thus charged with substantial and increasing responsibilities to identify and implement investment opportunities and to co-ordinate, support, guide and control 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.

### 1.2 NDC Group Companies in operation

Tanzania Tanneries Ltd.  
Tanzania Shoe Company Ltd.  
Tanzania Hides and Skins Ltd.  
B.A.T. Tanzania Ltd.  
Tanzania Distilleries Ltd.  
Tanganyika Instant Coffee Ltd.  
Tanzania Breweries Ltd.  
Kibo Paper Industries Ltd.  
Printpak Tanzania Ltd.  
Tanzania Publishing House Ltd.  
General Tyre East Africa Ltd.  
Tanzania Fertiliser Company Ltd.  
Tanganyika Tegry Plastics Ltd.  
Aluminium Africa Ltd.  
Metalbox Company Ltd.

National Printing Company Ltd  
Ntava Ltd.  
National Bicycle Company Ltd.  
National Steel Corporation  
Ubungu Farm Implements Manufacturing Co. Ltd.  
Steel Rolling Mills Ltd.  
Industrial Promotion Services (T) Ltd. (only 23.77%)

1.3 NDC Projects under implementation and investigation

UNDER IMPLEMENTATION

EXPANSION/LIQUIDATION

By

1. Morogoro Tannery
2. Nwanza Tannery
3. National Bicycles
4. Detergent Project
5. Farm Implements

1. Tanzania Shoe Company
2. Tanzania Tanneries
3. Bicycle Tyre and Tube
4. Tanzania Breweries
5. Asbestos Project (ALAF)
6. Steel Rolling and Billet Casting

Under advanced investigation

1. Pulp and Paper Mill
2. Canvas Mill
3. Shoe Factory
4. Leathergoods Factory
5. New Brewery
6. Pharmaceuticals

1. General Tyre
2. Fertiliser Factory (Rationalization)
3. National Steel Corporation Steel Yard
4. Metal Box Re-equipping
5. 10 ton Paper Mill-Kibo Expansion
6. Printpak - Ink project

Under early investigation

1. Machine Tools
2. Electrical Complex
3. Caustic Soda
4. Starch Complex
5. Diesel Engines
6. Metalworking Industry
7. Steel Pipes
8. Glass Project
9. Leather Research Centre
10. Ceramic Project

1. Fertiliser Expansion
2. Gypsum Utilisation
3. Industrial Alcohol
4. Plastics Expansion
5. Building Materials Industry
6. Malting Project

Note: The total equity fund requirement during the next three-year (1975-77) period would be Shs.1,200 million and loan capital needs will be Shs. 2,400 million

In view of the prevailing acute scarcity of Tanzanian staff with experience in these specialized fields of activities, international expertise is required for filling the most crucial gaps in the NDC staffing as well as for providing training to local personnel. Accordingly, NDC engages presently a number of expatriate staff and multilateral and bilateral experts.

#### 1.4 Present UNDP assistance

NDC has been assisted by UNDP/UNIDO since 1973 through small-scale projects comprising 1-3 expert posts. In the present project (DP/URT/74/018) a Director of Planning (OPAS) and a Director of Development (OPAS) are assigned to NDC. The project expires late 1975. A third post - Industrial Market Expert (OPAS) - was so far not filled and was finally suspended last year, apparently in view of a large scale assistance project being considered.

The Mission considers the past and present UNDP/UNIDO assistance to have had a significant impact on the NDC operations and on actual development of the industrial sector. The experts have been fully entrusted with substantial responsibilities. The present Director of Development has identified and very actively pursued various investment opportunities and has in a number of cases initiated and succeeded in the promotion of these projects through bilateral donors and foreign companies. He has repeatedly served as adviser to the General Manager of NDC in investment negotiations.

The second post was originally entitled Planning Manager. In 1974 the expert was promoted to Director of Planning and Finance and was made responsible for the NDC medium-term and annual planning process and for guiding and directing NDC financial matters as well as for overall guidance and co-ordination of the Group Companies management. The project fulfills an essential function within NDC and is considered as very successful.



### 1.5 The need for further assistance

NDC has approached UNDP through the official channels with a request for a two-year large-scale project to assist NDC in various HQ functions. The Mission held several discussions with NDC staff and came to the following conclusions:

- (i) There is a definite need for long-term UNDP/UNIDO assistance to NDC to strengthen the corporation in carrying 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 by supporting the performance of operating plants on the other.
- (ii) It was attempted to elaborate in detail the need for long-term assistance to NDC, by formulating a project covering five years or more. The advantage of such a long duration would be mainly that simultaneously a corresponding long-term programme of local staff development could be conceived by NDC. Moreover the assistance delivery might be more rational if the project is conceived over a long period. However, the Mission found that a detailed assistance project beyond 2-year duration could not be elaborated at this stage. The reason is mainly that the precise type and magnitude of problems and tasks that NDC will be confronted with in 1978-80 and the required activities to handle these obviously cannot be predicted in any reasonable accuracy now (early 1975). Even if NDC would prepare a long-term plan of its activities, it would be necessary to keep this plan very broad and to adjust it periodically to the economic situation, political considerations and - above all - the largely unpredictable requirements of industry. Such a plan could thus not serve as an appropriate basis for a UNDP/UNIDO technical assistance project.

It was therefore decided to confine the detailed project to a duration of two years. It is assumed that in subsequent years the magnitude of assistance should be kept at approximately the same level. A detailed project for 1978-80 should be elaborated in 1977.

(iii) The requested assistance to NDC constitutes no duplication with the UNDP/UNIDO assistance foreseen to be rendered to the Industrial Studies and Development Centre (INDCENTRE) and its possible successor, the Tanzania Industrial Consulting Organisation (TICO). NDC requires the operational assistance within its own organisation for the day-to-day work while INDCENTRE supplies expertise upon request for carrying out specific technical consulting assignments on a short-term basis.\*

Thus the NDC experts form part of the permanent NDC head-quarter staff. It should be noted that the Job Descriptions for the NDC experts make due reference to the need for using the services of INDCENTRE whenever appropriate.

(iv) A draft project document for the assistance to NDC is contained in Annex II.

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\* See also a previous UNIDO report on this issue: TANZANIA INDUSTRIAL STRATEGY PROJECT, Report of Review Mission, September 1973, UNIDO/ITPD 127 - Restricted; Annex 1, Chapter II: Evaluation of the need for the assistance to NDC.

## 2. ASSISTANCE TO THE LEATHER INDUSTRY SECTOR (NDC)

### 2.1 Background

The sector consists at present of the following three NDC Group Companies:

- (i) Tanzania Tanneries, which processes raw hides and skins to wet blue and fully finished leather stage. Capacity is in the process of being doubled at a capital cost of shs. 8.3 million
- (ii) Tanzania Shoe Company, which produces leather, plastic and rubber shoes mainly for the home market. The capacity has just been doubled to approximately 7.0 million pairs of shoes. A further phase of expansion is being considered, and a boot project will be implemented shortly
- (iii) Tanzania Hides and Skins Ltd., buys and sells raw hides and skins with a large proportion of its sales being to export markets. As new tanneries come on stream, the Company's role as an exporter of raw hides and skins will change completely and this is one area in particular where NDC requires careful evaluation to be carried out (on the future role of the company)

In addition, there are two new industries at advanced implementation stage:

- (iv) Morogoro Tannery, with an expected capacity of 9.0 million square feet of finished leather
- (v) Kwansa Tannery, with an expected capacity of 7.0 million square feet of finished leather

The existing tannery and the two new tanneries will convert Tanzania from being an exporter of raw hides and skins (approximately 85% of the quantities presently produced) to a position where finished leather and leather goods can be exported. The main aim

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\* This section was prepared by Mr. C. Pearce, OPAS expert in NDC.

is to increase value added and foreign exchange earnings and the need for quality standards and target evaluation is evident.

Three projects are expected to enter implementation phase later this year:

- The Morogoro Shoe Company, which will use part of the output of the Morogoro Tannery and hopefully export a large proportion of its output. Hence the need for detailed export market analysis
- Morogoro Canvass Mill, which is still planned for Morogoro although water constraints may require a new site to be located. The mill is expected to supply the canvas requirements for the shoe companies as well as produce tapaulins for domestic and export markets
- Morogoro Leather Products will be a unit to produce leather goods such as belts, wallets and handbags again for both home and export markets

In all cases where export markets are to be served, NDC is following a two pronged approach. Firstly, to identify potential markets through detailed studies and secondly, to obtain commitments from technical collaborators to purchase at world market prices a proportion of the factory's output.

## 2.2 NDC functions

The large expansion programme of the leather goods industry sector will require considerable efforts from the side of NDC in supporting the operation of the subsidiary companies. In fact, the successful implementation of the programme depends heavily on:

- The establishment of quality and standard targets and meeting of these targets
- The training of a very large labour force and technicians (not less than 5,000 people during the next five years)
- The securing of export markets
- The establishing of the right distribution organization structure

Moreover, NDC will start to collect detailed information from the companies on their major material inputs. Based on these data NDC and the Small Industries Development Organisation (SIDO) will

investigate the possibilities of establishing small sub-delivery units which would supply the larger units and substitute imports of certain inputs.

During the subsequent operation stage of the industries, NDC has to carry out the supervisory and co-ordinating role as mother company over the subsidiary companies. Besides the monitoring and control of company performance, NDC may consider to co-ordinate and guide the purchasing, export sales and distribution of the individual group companies.

The question of the extent to which NDC should centralise the activities should be investigated thoroughly so as to ensure that the most effective distribution of functions is attained. This would require that the companies are not deprived of their responsibilities but that NDC supports and controls certain, specified functions. Thus undoubtedly economies can be made by letting NDC headquarters co-ordinate the purchasing of the companies, but these should maintain their responsibility for specifying and checking required qualities and quantities as well as for assessing financial and economic implications.

It would seem appropriate for NDC to establish within its Operational Department a Leather Industry Unit, which would carry out the above-mentioned activities in close contact with the Group companies.

### 3.3 UNDP/UNIDO Assistance

Presently and for some years to come, NDC does not possess the manpower required to undertake the above-mentioned functions. It would be essential for the development of the leather goods sector that the required expertise is rendered to NDC through UNDP/UNIDO assistance.

The possible areas of assistance can be outlined as follows:

- (i) Export Market Investigations - Shoes and Leather goods.
  - identifying potential markets
  - adaptation of product quality, design, etc., to potential export markets
  - identification of products with export potential
  - evaluation and follow-up of the ongoing export study on leather goods (by the Commonwealth Secretariat)
  - sales contracting with foreign trade companies
  - co-ordination of group company export sales
- (ii) Purchasing
  - co-ordination of purchasing of major material inputs
  - guidelines for purchasing
- (iii) Distribution
  - advising companies on appropriate distribution systems
  - co-ordinating sales
- (iv) Monitoring of company performance
- (v) Co-ordination of training

It was agreed that previous to the determination of the precise magnitude of assistance and type of expertise required, a short-term UNIDO expert specialized in this particular industrial sector would look into the matter. Consequently it was decided that the expert for the Shoe and Leather Goods Industry (EP/URT/71/322/11-13/C/12(06)), which presently is being recruited for appraising a proposal for the Morogoro Shoe Complex, be extended by two months to undertake the additionally required tasks. The expert should advise NDC on the appropriate scope, functions, organization and staffing of the NDC headquarters in co-ordinating and guiding the management of subsidiary leather goods and shoe industries inter alia in export marketing, purchasing and distribution. In addition, the expert should advise NDC on arrangements for training the large labour force. Based on these specific findings, the details of a long-term UNDP/UNIDO project should be elaborated.

At this stage, it appears likely that the assistance project would consist of four expert posts for an initial period of two-years starting in early 77. The provision for the UNDP Tanzania Country

Programme could then be estimated to be:

1977  
144,000

1978  
144,000

TOTAL  
288,000

### 3. INDCENTRE/TICO

#### 3.1 Status

The UNDP/UNIDO assistance to INDCENTRE (Industrial Studies and Development Centre) is presently in a period of transition. The current assistance is meant to bridge over activities until the successor of the Centre, the Tanzania Industrial Consulting Organisation (TICO), is established as a parastatal body and a new technical assistance project to TICO is operating.

#### 3.2 Experts

There are presently four experts in post. These posts are scheduled to terminate in December 1975. The Project Manager post is vacant and has provision for 12 months. Final selection of the project manager is awaited soon. Three short-term experts are under recruitment.

It is strongly felt by the experts, counterparts, as well as the clients of INDCENTRE, that the number of experts presently assigned to INDCENTRE is much too small to be able to cope with requests for studies submitted by the parastatals. As a result, INDCENTRE cannot meet these requests within a satisfactory time limit. It is realized that the assistance is in a transitorial phase until the creation of TICO. Therefore, the final official decision to create TICO is anxiously awaited, so that the capacity can be built up and the consultancy requirements can be properly met.

A specific problem of INDCENTRE are the lengthy procedures which are to be followed for recruitment of short-term experts.

The original concept of the short-term component of INDCENTRE was that it would supply on a quick basis the specialized expertise that INDCENTRE does not possess as permanent staff.

Thus, when one of INDCENTRE's clients requests such specialized services, the Centre recruits a short-term consultant from present budget provisions to carry out the particular assignment.

Due to the lengthy recruitment procedures, however, INDCENTRE could repeatedly not meet the client's needs in time. This has a detrimental effect on the fulfilment of INDCENTRE's stipulated role. In fact, it takes as long a time to field a short-term expert as it does to field a long-term expert, (i.e. up to 9-10 months), since the same Governmental and UNDP/UNIDO procedures have to be followed.

In order to enable INDCENTRE to better comply with the needs of qualified and timely consulting, it is therefore strongly recommended that the recruitment procedure for INDCENTRE expert posts financed out of the approved short-term consultant component with a duration of say up to six months, be drastically simplified, adopting for example the following procedure:

- Initiation, preparation of post and its final Job Description by the Project Manager in consultation with the Counterpart Director
- Endorsement of post by Resident Representative and submission of request to UNIDO
- Submission by UNIDO of one candidate through the Resident Representative to the Project Manager
- Endorsement (or rejection) of candidate by Project Manager/Counterpart Director and the Commissioner of Industries within three weeks after receipt

### 1.1 Counterparts

There are presently seven counterparts working in INDCENTRE. This means an increase of two since the time of the last UNIDO mission in April 1974. In addition, three industrial assistants have been recruited directly from secondary schools.

The training of the counterparts has been intensified. In regular staff meetings current work and specific methodological issues are discussed. All counterparts are systematically becoming involved in the various activities of the Centre.



### 3.4 Activities

Present activities are listed in Annex III. As can be seen from this list, seven pre-investment studies, five assignments for implementing projects and four consulting assignments to operating plants are presently in the stock of requested services.

The Mission found that INDCENTRE provides essential services to the parastatal bodies and is recognized as a valuable institution. Some examples from the food industry sector may illustrate the impact of the Centre's activities:

- The second phase of the cold storage chain project previously initiated and studied, is now being implemented
- The food project for co-operatives in the Iringa region - prepared in 1974 - is now under implementation
- INDCENTRE initiated early 1975 a study on quality control for food products. The Government is fully supporting this and is now issuing regulation in this regard

### 3.5 Facilities

The present facilities of INDCENTRE cannot be considered adequate. The total office space is six offices, one library, and administrative and secretarial rooms, in total 130 m<sup>2</sup>. This means that each of the 27 people has about 5 m<sup>2</sup> space.

## 4. STATUS OF TICO

A UNIDO Mission in April 1974 prepared detailed terms of reference for the establishment of the Tanzania Industrial Consulting Organisation (TICO) as well as proposals for UNDP/UNIDO assistance to the new organization.

The Ministry of Commerce and Industries has prepared a Cabinet Paper for the establishment of TICO and has officially submitted a request in principle to UNDP. In view of certain reservations raised by UNDP as to the demarcation of functions between TICO and the National Institute for Productivity (NIP), the Ministry has so far withheld the formal submission of the cabinet paper.

During the latest Mission a meeting was called by the Ministry and attended by the UNDP Resident Representative, an assistant Resident Representative, the Assistant Industrial Development Field Adviser and the UNIDO staff-member. The Ministry was represented by the Principal Secretary and the Commissioner for Industries.

The meeting discussed the status of TICO, the general lack of counterpart personnel and the question of possible overlap between TICO and NIP. The Principal Secretary asked the UNIDO staff-member to prepare a short note on the question of possible overlap. The note is contained in Annex IV.

The Ministry is now considering to submit the cabinet paper to the Cabinet. The Government decision on the establishment of TICO can be expected in June.

After having again examined the matter by reviewing the functions of the two organizations and taking into account the comments made by UNDP, the mission sees no wasteful overlap.

The following facts may be considered in this connexion:

- TICO will mainly carry out engineering consulting
- The experts to be attached to TICO have basically technological functions in the pre-investment and implementation stages, as well as for trouble shooting
- There is no general management consulting foreseen for TICO

It can also be mentioned that bilateral donors have indicated their interest to support TICO by attaching a substantial fund for hiring foreign consulting firms as subcontractors under TICO. This would give TICO considerable capacity and stimulate its further development.

The Government's consideration to establish TICO is fully supported as a means not only to enable the present INDCENTRE to render its services more efficiently, but mainly to pool scarce manpower resources in the industrial development corporations and to facilitate and co-ordinate the use of foreign consultants, specially in the field of engineering.

Based on recent developments and further, thorough discussions, the Mission prepared an up-dated and somewhat revised project budget for the UNDP/UNIDO assistance to TICO. The new UNDP standard costs and a new time-schedule were used. The new work-plan and budget of the project are attached as Annex V to this report.

The expert component comprises now the following posts

- Project Manager
- Industrial Project Evaluation
- Industrial Project Implementation
- Industrial Market Analyst
- Mechanical Engineer
- Electrical Engineer
- Chemical Engineer
- Civil Engineer
- Food Industry Expert
- Textile Industries Expert
- Metalworking Industry Expert
- CPAS Expert: Co-ordinator of the Consulting Counterparts.

The total UNDP contribution is \$ 1,800,600.

#### 5. ASSISTANCE TO THE METAL INDUSTRY SECTOR

Based in the country's long-term industrial strategy, considerable emphasis is to be given in the next Five Year Plan to the development of the metals industry. A Metals Industry Development Task Force has recently been established in the government, composed of the following members:

- The Principal Secretary, DEVPLAN Chairman
- The Head of the Industry Section, DEVPLAN
- The Economic Adviser on Industry, DEVPLAN
- The Head of the Planning Unit, MINCOM
- The Director of Planning and Finance, WDC
- The Professor of Engineering, University of Bar en Salas
- The Technical Services Manager, SIBO
- Two representatives from the metals industry
- One representative from DABCO

The Task Force is to explore the possibilities for the development of the sector, undertake project studies, investigate resource requirements and prepare a tentative sector programme. The Task Force has its initial administrative location in the Ministry of Economic Affairs and Development Planning (DEVPLAN) but will draw upon the expertise and services of the various member organizations. It is quite evident that for the detailed market and techno-economic studies that need to be undertaken in the course of the sector planning, specialised expertise is required which would not be available in the country. The Task Force will therefore to a certain extent, have to rely on international expertise.

The Mission proposes that at this stage the core of this international expertise will be the Industrial Adviser in DEVPLAN (see section 6, Industrial Strategy and Programming) and the Expert on Metalworking Industry foreseen for TICO (see section 4). For the preparation of specific pre-investment studies, the services of short-term experts should be relied upon provided by INDCENTRE and its possible successor TICO.

Thus, the Mission sees presently no need for a separate UNDP project in this field but recommends that the assistance be mainly channelled through INDCENTRE/TICO. For the later implementation and operation stages, it would be important to have about two experts assigned to NDC HQ. The Mission therefore recommends that provision be made in the Country Programme for this assistance in the years 1978: US \$ 72,000, 1979: \$ 72,000 and 1980: \$ 72,000, Total: US \$ 216,000.

The details of this assistance project should be elaborated during the foreseen NDC review in 1977.

#### 6. INDUSTRIAL STRATEGY AND PROGRAMMING

The present Industrial Strategy project may be extended until September 1975. The work to be undertaken by the team during the remaining months will cover 1975 1975

- (i) Detailed analysis and recommendations of industrial policies
- (ii) Co-ordination, adjustment and finalisation of the Industry Chapter of the Five Year Plan
- (iii) Investigations of the metalworking industries sector
- (iv) Training activities

By the end of the project the team will have completed the industrial strategy, the industry chapter of the Third Five Year Plan, policies recommendations, institutional recommendations,

branch studies and training of local staff. The project will fully meet the stipulated objectives and goals.

UNIDO has on several occasions approached the authorities suggesting a follow-up of the project for implementing the strategy and programmes. The Mission found now that a follow-up project had already been conceived and is presently being reviewed by UNDP Headquarters for eventual approval. The project -entitled Assistance in Development Planning-, with a duration of 3 years, includes the post of an Industrial Adviser and the following duties:

- (i) Advise on and assist in reviewing long-term strategies for industrial development
- (ii) Advise on and assist in translating strategies for long-term industrial development into policies, annual plans, and specific feasible industrial projects
- (iii) Advise on and assist in developing planning skills in the organs responsible for and engaged in industrial activities
- (iv) Advise on and assist in reviewing sectoral planning guidelines formulated by the Ministry responsible for industrial development
- (v) Advise on and assist in monitoring implementation of the policies and projects, and in reviewing the performance of the industry sector

The project would thus, constitute the desired direct follow-up of the Strategy Project.

The project is - according to preliminary information - to be executed by OTC. However, the Mission strongly advocates that the Industrial Adviser post be executed by UNIDO, for instance through a subcontracting arrangement OTC/UNIDO. It should be noted that this post is attached to the Industry and Trade Section of the Sectoral Planning Division, while the other posts are attached to other sections.

#### 7. INDUSTRIAL PROJECT EVALUATION SEMINAR

During the review mission on the Industrial Strategy Project in 1973, the question of training of local staff in industrial project planning was discussed. It was tentatively agreed that

towards the end of the Strategy Project a three weeks training seminar for staff of the Ministries and parastatals would be arranged by the Strategy Experts, INDCENTRE Experts and UNIDO staff. The seminar would cover the process of project identification, preparation, evaluation and implementation.

The idea was again raised by this Mission and details were discussed with the Strategy Team. It was agreed that UNIDO would put forward a proposal for: an agenda, timing, location, etc., and that the Government would be asked to give its views on this proposal.

The proposal, in form of a project document, is attached to this report in Annex VI.

The Mission considers the seminar to be an essential means for

(i) familiarising high level officials and executives with the principles of national benefit cost analysis, based on the industrial strategy

(ii) training professionals in the actual application of the Industrial Project Appraisal Manual for Tanzania (prepared by the Strategy Team)

and thus to ensure that the pronounced long-term development priorities are duly used as criteria for evaluating and selecting investment projects.

## 8. INDUSTRIAL PROGRAMMING AND POLICIES

The preparation of the industrial strategy and the industry chapter of the Five Year Plan is undertaken mainly by DEVPLAN as part of its overall economic planning activities. It is, however, obvious that the sectoral ministries need to be involved to a considerable extent in the planning and plan implementation activities referring to their respective sector.

The Ministry of Commerce and Industries being responsible for the industry sector, apparently intends to build up - in a limited scale - activities in the field of industrial programming and policies in order

to be able to assume greater responsibilities as substantive partner to DEVPLAN in the planning and plan implementation process. This approach of MINOCOM is considered very essential.

As far as the Mission was informed, MINOCOM has approached SIDA for obtaining a bilateral expert in industrial programming.

For the event that this assistance does not materialize, UNEP should consider to offer its assistance. Close follow-up of this project is therefore recommended since it has considerable importance for the annual planning and implementation process of the Third Five Year Plan.

ANNEX I

LIST OF PERSONS MET

**UNEP Staff:** Mr. G. Orinogono, Resident Representative  
Mr. W. George  
Mr. T. Patten  
Mr. A. Agwall, Assistant Field Adviser  
Mr. W. Millager, SILFA, Nairobi, Kenya

**Tanzanian Officials:** Mr. P. M. Kessura, Principal Secretary, Ministry of  
Commerce and Industries  
Mr. D. R. Bitegeko, Commissioner of Industries  
Mr. E. A. Mulikosi, General Manager, NDC  
Mr. M. V. Nakota  
Mr. G. Mbowe, Chairman, TIB

**UNEP Experts:** Mr. J. S. Carrer, INDCENTRE  
Mr. P. Badami, INDCENTRE  
Mr. R. Awachi, INDCENTRE  
Mr. C. C. Pearce, NDC  
Mr. I. Hussein, NDC  
Mr. B. Williams, Strategy Project  
Mr. R. Rice, Strategy Project  
Mr. J. Tidrick, Strategy Project  
Mr. A. Nagström, STANICO  
Mr. A. P. Choch, SIND  
Mr. H. Rajwade, TPDC

**Other persons:** Mr. J. Odergren, SITA



ANNEX II.

UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of the  
UNITED REPUBLIC OF TANZANIA

**Title:** Assistance to NDC (Phase III)      **Duration:** 2 years  
**Number:** URT/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 Contribution:** T.Sh. 849,000

**UNEP Contribution:**  
US Dollars 738,050

**Approved:**

\_\_\_\_\_  
on behalf of the Government  
(Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
on behalf of the Executing Agency  
(Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
on behalf of UNEP  
(Signature)

\_\_\_\_\_  
Date

I. BACKGROUND AND GENERAL INFORMATION

A. Justification for the Project

NDC is the country's leading parastatal organization 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 Teryn Plastics Ltd.
15. Aluminium Africa Ltd.
16. Metalbox Company Ltd.
17. Mtava Ltd.

18. National Bicycle Company Ltd.
19. National Steel Corporation
20. Umungu Farm Implements Manufacturing Co. Ltd.
21. Steel Rolling Mills Ltd.
22. Industrial Promotion Services (T) Ltd. (only 23.7%)

NDP Projects under Implementation and Investigation

NEW

EXPANSION/DEVELOPMENT

**UNDER IMPLEMENTATION**

- |   |  |
|---|--|
| <ol style="list-style-type: none"><li>1. Morogoro Tannery</li><li>2. Mwanza Tannery</li><li>3. National Bicycle</li><li>4. Detergent Project</li><li>5. Farm Implements</li></ol> | <ol style="list-style-type: none"><li>1. Tanzania Shoe Company</li><li>2. Tanzania Tanneries</li><li>3. Bicycle Tyre and Tube</li><li>4. Tanzania Breweries</li><li>5. Asbestos Project (ALAP)</li><li>6. Steel Rolling and Billet Casting</li></ol> |
|---|--|

**UNDER ADVANCED INVESTIGATION**

- |   |  |
|---|--|
| <ol style="list-style-type: none"><li>1. Pulp and Paper Mill</li><li>2. Canvas Mill</li><li>3. Shoe Factory</li><li>4. Leathergoods Factory</li><li>5. New Brewery</li><li>6. Pharmaceuticals</li><li>7. Civil Explosives</li></ol> | <ol style="list-style-type: none"><li>1. General T...e</li><li>2. Fertilizer Factory (rationalization)</li><li>3. National Steel Corporation Steel Yard</li><li>4. Metal Box reequipment</li><li>5. 10 ton Paper Mill - Kibo Expansion</li><li>6. Printpak - ink project</li></ol> |
|---|--|

**UNDER EARLY INVESTIGATION**

- |  |   |
|--|---|
| <ol style="list-style-type: none"><li>1. Machine Tools</li><li>2. Electrical Complex</li><li>3. Caustic Soda</li><li>4. Starch Complex</li><li>5. Diesel Engines</li><li>6. Metalworking Industry</li><li>7. Steel Pipes</li><li>8. Glass Project</li><li>9. Ceramic Project</li><li>10. Leather Research Centre</li></ol> | <ol style="list-style-type: none"><li>1. Fertiliser Expansion</li><li>2. Gypsum utilization</li><li>3. Industrial Alcohol</li><li>4. Plastics Expansion</li><li>5. Building Materials Industry</li><li>6. Maiting Project</li></ol> |
|--|---|

Notes: The total equity fund requirement during the next three years (1965-68) period would be Shs.1,200 million and loan capital needs will be Shs.2,400 million.

In view of the prevailing, acute scarcity of Technical staff with experience in these specialized fields of activity, international expertise is required for filling the most crucial gaps in the NDC staffing as well as to provide training to local personnel.

Accordingly, NDC engages a number of expatriate staff and multilateral and bilateral experts.

#### Present UNDP Assistance

NDC has been assisted by UNDP/UNIDO since 1973 through small-scale projects comprising 1-3 expert posts. In the present project (DP/UNT/74/C18) a Director of Planning (OPAS) and a Director of Development (OPAS) are assigned to NDC. The project expires in late 1975. A third post - Industrial Market Expert (OPAS) - was never filled and was suspended last year, apparently in view of a large-scale assistance project being considered.

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

#### The need for assistance

The project aims to assist NDC in various HQ functions.

The UNDP/UNIDO assistance to NDC 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 assured that in subsequent years the magnitude of assistance would need to be kept at approximately the same level. However, the precise type and magnitude of problems and tasks that NDC 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 inter alia:

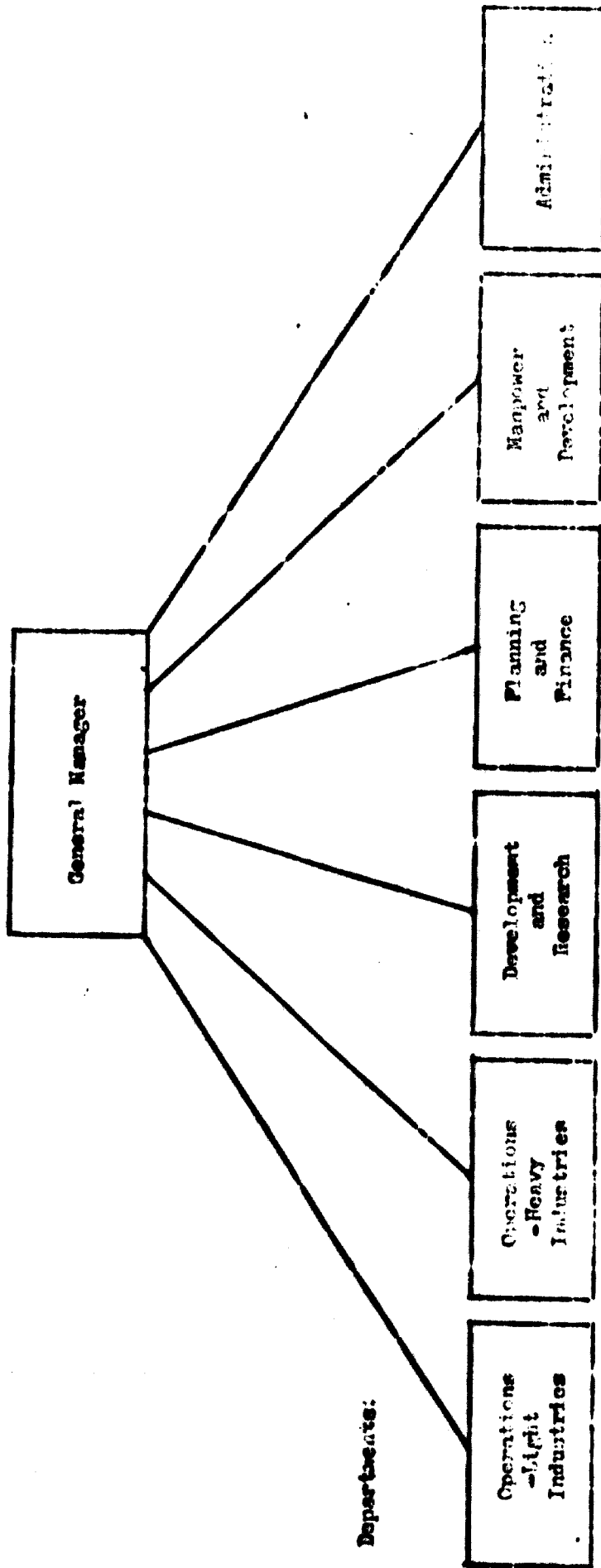
NAFOO	(Food Industries)
TEXOC	(Textile Industries)
STANICO	(Mining based industries)
TWICO	(Wood Industries)
TPDC	(Petroleum industries)

NDC's organizational structure is shown in page 28.

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.

NDC's Organizational Structure



Departments:

C. Provision for Government Follow-up

NDC is a permanent, established parastatal body which is gaining in importance with continued industrial development. The experts will occupy operational posts on the regular budget of NDC.

The main counterparts are in post. NDC has already drawn up the systematic staff training through training on-the-job and on courses abroad.

D. Other related activities

Complementary UNDP/UNIDO assistance is being rendered to the Industrial Studies and Development Centre (INDCENTRE) and is planned to be continued to its probable successor, the Tanzania Industrial Consulting Organization (TICO).

INDCENTRE is serving the parastatals and other bodies in preparing pre-investment studies and in rendering consulting services to the operating plants. INDCENTRE 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. NDC 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/UNIDO experts in NDC.

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

E. Future UNDP Assistance

The project is to provide highly specialized expertise. Although 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 kind of further UNDP assistance.

## II. OBJECTIVES OF THE PROJECT

This project will be included in the draft Second Country Programme for Tanzania 1976-1980.

### 1. Long-range objectives

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

### 2. 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 NDC.

These activities will be as follows:

1. Carrying out analyses of selected industrial branches for the identification of new suitable investment opportunities for NDC. Of particular significance will be the fertilizers, other chemical industries and the metal-working industry branches.
2. Investigating existing NDC 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 NDC companies.
8. Formulating and consolidating long-term, medium-term and annual investment plans for the NDC group as a whole.
9. Formulating and implementing of a NDC 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 continuous nature. The activities will thus start in early 1976 and cover the two-year period until the end of 1977.

### Location of Project Activities

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

To a certain extent the project activities will, however, also be undertaken in other areas of the country. The investment promotion (No.4) and the negotiation activities (No.5) will partly take place abroad. Some of the training activities will be carried out abroad through international fellowships.

### B. Description of UNDP Inputs

#### 1. Assignment of International staff

The experts are to carry out executive functions within NDC; consequently they will have CPAS status. They will therefore not act as a separate international project team but will form part of the NDC organizations, strengthening the NDC structure in separate positions. Accordingly no Project Manager is foreseen.

The experts should be able to adjust to the varying needs of NDC and to be able to carry out assignments on an ad hoc basis depending on requirements.

#### a) Director of Development (CPAS) -- 24 months

The expert will be responsible to the General Manager for identifying, formulating and evaluating new industrial project 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 NDC 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.

b) Director of Planning and Finance (CPAS) - 24 months

The expert will be responsible to the General Manager for all matters concerning planning and financing. He will formulate proposals for long and medium-term investment objectives of the corporation and direct and co-ordinate the annual planning process of investment. He will draw up plans and guidelines for the financing of NDC activities. The post requires a university degree in economics, business administration or equivalent with high level experience in planning and finance at the corporate level.

c) Planning Manager (CPAS) - 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 NDC 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 (CPAS) - 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 NDC and the NDC 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 Manager (CPAS) - 24 months

The expert will be attached to the Manpower Development Department. Under the supervision of the Director of the Department he will identify the needs for training of local NDC and NED group companies staff in the various skill categories (mainly technical) and formulate recommendations for systematic on-the-job and other training. He will establish and supervise training programmes for group 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 organizing training in industrial skills.

f) Industrial Project Implementation Co-ordinator (CPAS) - 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 NDC 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 (CPAS) - 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 rely on expertise from the Industrial Studies and Development Centre whenever required. The expert should be a civil engineer with experience in industrial project engineering and contracting.

h) Fertilizer Industry Specialist (CPAS) - 12 months

The expert will be attached to the Operations (Heavy Industries) 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 problems 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.

i) Chemical Industries Specialist (CPAS) - 24 months

The expert will be attached to the Development Department. Under the supervision of the Director of the Department he will analyse 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 would 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.

**j) Mechanical Engineer (CPAS) - 24 months**

The expert will be attached to the National Engineering Co. which is being transformed 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 repair of the engineering complex. He will, in particular, be in charge of a tools repair and grinding section and will train junior engineers in all relevant matters. The post requires a mechanical engineer with experience in heading a workshop.

**k) Structural Engineer (CPAS) - 24 months**

The expert will be attached to the National Engineering Co. which is being transformed 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.

Review Missions

Provision is made for a mission for Agency personnel in 1977 for review of the project and determination of further needs for assistance.

2. Subcontracts

No provision.

3. Training provisions

International fellowships to be provided for training of 28 NMG staff abroad. The location will be determined later, when suitable training courses and co-operating industries have been identified.

	<u>Timing</u>	<u>Duration</u> <u>(Months)</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	4 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. UNDP provided supplies and equipment

No provision

5. Miscellaneous

No provision

C. Description of Government Inputs

1. Local salaries for CPAS personnel
2. Assignment of National staff
3. Government provided buildings, equipment and supplies
4. Miscellaneous





**PROJECT BUDGET COVERING UNDS CONTRIBUTION**  
(in US Dollars)

Country: United Republic of Tanzania

Project Numbers: UNT/75/xxx

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

	T O T A L		1975		1977	
	m/m	sq	m/m	sq	m/m	sq
10. <u>PROJECT MANAGEMENT</u>						
12 <u>OPERATIVE</u>						
12-01 Director of Development	24	62,400	12	31,200	12	31,200
12-02 Director of Planning and Finance	24	62,400	12	31,200	12	31,200
12-03 Planning Manager	24	62,400	12	31,200	12	31,200
12-04 Industrial Marketing Manager	24	62,400	12	31,200	12	31,200
12-05 Industrial Training Manager	24	62,400	12	31,200	12	31,200
12-06 Industrial Project Implementation Co-ordinator	24	62,400	12	31,200	12	31,200
12-07 Industrial Engineering and Construction Co-ordinator	24	62,400	12	31,200	12	31,200
12-08 Fertilizer Industry Specialist	12	31,200	12	31,200	-	-
12-09 Chemical Industries Specialist	24	62,400	12	31,200	12	31,200
12-10 Mechanical Engineer	24	62,400	12	31,200	12	31,200
12-11 Structural Engineer	24	62,400	12	31,200	12	31,200
12-29 Sub-total	252	655,200	132	327,600	120	327,600
16 <u>Mission Cost</u>		2,000		-		2,000
19 Component Total	252	657,200	132	327,600	120	329,600
30. <u>TRAINING</u>						
31 <u>Post Training</u>						
39 Component Total		60,000		42,000		18,000
		60,000		42,000		18,000
99. <u>GRAND TOTAL</u>	252	722,000	132	369,600	120	347,600

**PROJECT BUDGET COVERING GOVERNMENT CONTRIBUTIONS IN KIND  
(In Tanzanian Shillings)**

Country: United Republic of Tanzania

Project Numbers: 1207/75/1212

Project Title: Assistance to National Development Corporation (Phase III)

10.	PROJECT DESCRIPTION	TOTAL		1976		1977	
		n/a	\$	n/a	\$	n/a	\$
12.	<u>1207/75/1212</u>						
12-01	Director of Development	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	Planning Manager	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 Training Manager	24	80,000	12	40,000	12	40,000
12-06	Industrial Project Implementation Co-ordinator	24	80,000	12	40,000	12	40,000
12-07	Industrial Engineering and Construction Co-ordinator	24	80,000	12	40,000	12	40,000
12-08	Participator Industry Specialist	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
19	Increment total	252	840,000	126	420,000	126	420,000
29.	Grand total	252	840,000	126	420,000	126	420,000

ANNEX III

INDUSTRIAL STUDIES AND DEVELOPMENT CENTRE (INDCENTRE)  
WORK PROGRAMME 1975

Project	Client	Study	Description
Salt Recovery at Lake Eyasi	Maawa Devel.	Feas.Study	Improvement of salt recovery solution for fluorine elimination
Pharmaceutical Plant	NDC	Appr.of Feas.Study	Draw up with Finnish group a proposal for a suitable pharmaceutical plant
Cassava Starch Plant	Reg.Dev Corp. Tanga	Feas.Study	Proposal for a starch plant at Tanga
Model Scheme of OPS sugar plants	ISDC	Feas.Study	Small sugar plant to suit local requirements of districts
Morogoro Leather Complex	NDC	<u>Implement.</u>	Help for NDC during implementation of the project
Electrical Complex	NDC	Feas.Study	Proposal for industrial complex to manufacture electrical equipment
Mechanical Complex	NDC	Feas.Study	Proposal for industrial complex to manufacture a variety of machinery
Nisjingu Phosphates	STANICO	Appr.of Feas.Study	Appraisal of feasibility study for mining the rock and recommendations for better utilisation of the ore
Nyasa Salt	NINCOB	<u>Extension Service</u>	Recommendations for improvement of operations of new salt plant (technology)
BABAGA, Iringa	BABAGA	<u>Implement.</u>	Implementation of feasibility study made by INDCENTRE
Line Products Mtwara	MAPCO	<u>Implement.</u>	Implementation of feasibility study made by INDCENTRE
TACONA	TACONA	<u>Extension Service</u>	Extension services for improvement of production of TACONA (technology and finance)

<u>Project</u>	<u>Client</u>	<u>Study</u>	<u>Description</u>
Merogore Oil Mill	GAPEK	<u>Implement.</u>	Multiple purpose mill. Evaluation of bids, tender specifications.
Nwansa Textile Mill	TRICO	<u>Extension Service</u>	Extension services for improving existing operations and for the planning of the new facilities (technology, organisation, maintenance and repair)
Tanganyika Dyeing and Weaving Mill	TRICO	<u>Extension Service</u>	Extension services for improving existing operations and for the planning of new facilities
Spinning Mill	TRICO	<u>Implement.</u>	Implementation of a proposal for a new mill made by a foreign consultancy bureau.

ANNEX II

NOTE CONCERNING THE ESTABLISHMENT OF THE TANZANIA INDUSTRIAL CONSULTING ORGANIZATION (TICO).

Introduction:

The question has been raised if there might be a possible overlap of functions of TICO on the one hand and NIP on the other. This brief note is meant to examine the question.

Functions of TICO

TICO is expected to render services in:

- i) Industrial pre-investment activities
- ii) Industrial project implementation
- iii) Operational phase of industrial plants

Functions of NIP

The functions of NIP as laid down in the Government Notice No.124, published on 10 May 1973, entitled "The National Institute for Productivity (Establishment) Order 1974" comprise 16 items, which can be grouped into the following functional areas:

- i) Management training  
(functions a, b, e, f)
- ii) Management consultancy  
(functions c, d, h)
- iii) Research in related fields  
(function g)
- iv) Assistance in the selection of consultants  
(function i)
- v) Internal Administrative and organizational activities  
(functions f - p)

Areas of possible common interest

The only area of functions in which an overlap may appear possible between NIP and TICO is management consultancy, since this area could be considered part of "industrial consultancy". However, while NIP basically is concerned with general management techniques, the services

that TICO is expected to render to existing industries would be specific industrial trouble shooting mainly in technological matters. Thus, NIP would for instance advise on the introduction of modern management information system in the industrial sector, whereas TICO would respond for instance to requests from individual industrial establishments to solve an acute problem of materials handling.

Moreover, while NIP's essential purpose is to offer advice and training in a broad range of management fields, regardless of the economic sector and the kind of the recipient bodies, TICO is designed to provide specific services of predominantly technological nature only for industry.

### Findings

As can be seen, the resources to be offered by NIP on the one hand and TICO on the other have different orientation and cover different activities.

No wasteful overlap is involved.

Project document for assistance to TICO (revised pages - 16 onwards)  
Location of the activities

The location of the activities will basically be Dar es Salaam. The identification, preparation and carrying out of consulting services will largely be made in the client's premises wherever located in the country. International travel may be occasionally required for the experts. Fellowships will be provided for training of counterparts abroad.

B. Description of UNDP Inputs

1. Assignment of International Staff

To meet the objectives of the project, eleven international experts including the project manager will be required, as well as short-term consultants and an OPAS expert. The total number of man-months of expert is 564 for the three year period.

The international staff will be based in Dar es Salaam but will also operate throughout the country as required.

The experts will work in project teams contributing to the team's work by covering the aspects of their particular specification. Due to this co-ordinating and integrated approach strict delimitations of expert functions will not be made. The following description shows, however, the basic functions and qualifications of the various experts.

(i) Project Manager - 36 months. Starting date: January 1976

The Project Manager will lead, supervise and co-ordinate the work of the other experts and assess the need for and determine the terms of reference for short-term consultants and sub-contracted consulting firms. He will advise on the priorities and timing of consulting jobs, assign project teams and review and approve consulting reports.

The post requires an industrial economist or engineer with considerable experience in leading and carrying out industrial consulting including assignments on pre-investment studies and project implementation and engineering.



- (ii) Industrial Project Evaluator - 36 months. Starting date: January 1976

The expert will prepare industrial project studies, evaluate projects from the economic and financial aspects and render advisory service to plants on related matters.

- (iii) Industrial Project Implementation and Contracting Expert - 36 months. Starting date: January 1976

The expert will render advisory services in industrial project implementation. He will assist in and advise on tendering and contracting of consultants, suppliers of know-how and equipment and of civil engineering works contractors. He will establish and keep a roster of consultants and will advise on the choice of consultants. In particular he will be engaged in the utilisation of the Organization's fund. He will render assistance in project implementation scheduling and control.

The post requires an economist, engineer or equivalent with considerable experience in the field of industrial project implementation and contracting.

- (iv) Industrial Market Analyst - 36 months. Starting date: January 1976

The expert will carry out marketing assignments, covering ~~inter alia~~ market analysis, marketing, product adaptation and distribution.

The expert should have a degree in marketing, economics or business administration with considerable experience in marketing.

- (v) Mechanical Engineer - 36 months. Starting date: January 1976

The expert will undertake assignments covering preparation and technical evaluation of pre-investment studies including specification of equipment.

The post requires a mechanical engineer with experience in the preparation of industrial pre-investment studies and related fields.

(vi) Electrical Engineer - 36 months. Starting date: January 1976

The expert will undertake assignments covering the preparation and technical evaluation of pre-investment studies and operational assistance in electrical engineering

The expert should be an electrical engineer with experience in the fields of pre-investment studies and electrical engineering.

(vii) Chemical Engineer - 36 months. Starting date: January 1976

The expert will undertake assignments covering the preparation and technical evaluation of the pre-investment studies and chemical process engineering. He will establish an information base on industries and consulting firms in the relevant chemical industry branches in developed countries.

The expert should be a chemical engineer with experience in the field of pre-investment studies and chemical engineering.

(viii) Civil Engineer - 36 months. Starting date: January 1976

The expert will be responsible for civil engineering specifications for simple designs of industrial plants. He will also assist in and advise on project implementation monitoring and control as well as on civil works contracting.

The expert should be a civil engineer with experience in engineering for industrial plants and project implementation.

(ix) Food Industry Expert - 36 months. Starting date: January 1976

The expert will undertake assignments covering the initiation, preparation and technical evaluation of pre-investment studies as well as technological trouble-shooting and related matters in the food industry branch.

The expert should be an engineer with experience from the food processing industry (particularly fruit, meat and fish processing).

- (x) Textile Industry Expert - 36 months. Starting date: January 1976

The expert will undertake assignments covering the initiation, preparation and technical evaluation of pre-investment studies as well as technological trouble-shooting and related matters in the textile industry branch.

The expert should be a textile technologist with experience in industrial pre-investment studies and trouble-shooting.

- (xi) Metalworking Industries Expert - 36 months. Starting date January 1976

The expert will undertake assignments covering branch studies, the preparation and technical evaluation of pre-investment studies as well as technological trouble-shooting in the metalworking industries.

The expert should be a mechanical engineer with a broad experience from the metalworking industry, specially with regards to pre-investment studies.

- (xii) Short-term Consultants - 144 m/m

The consultants will be hired as required on a short-term basis for specific industry assignments. The consultants will undertake assignments for a particular industry covering one or several of the following aspects: pre-investment studies, equipment specifications, implementation, technological trouble-shooting, diversifications, specific product quality controls, product adaptation, etc., in accordance with the requirements and scope of the particular consulting assignment.

The consultants will be mainly engineers specialised in a particular industry.

The precise specialisation required of the consultants will be determined in accordance with the incoming requests for consulting and can therefore not be defined at this stage. The project thus has

the necessary flexibility for carrying out effectively the services of a consulting organisation, provided that the processing of the request and recruitment of the short-term consultants is sufficiently speedy. The industrial branches which are likely to receive special attention during the project period are the following:

- Specific food industry branches
- Textile industry
- Wood industry
- Leather industry
- Paper industry
- Chemical industry branches
- Cement
- Ferrous metal industries

(xiii) OPAS Expert - Co-ordinator of the Consulting Counter-  
parts - 24 months. Starting date: January 1976

The expert will be attached to the office of the General Manager. His responsibility will be selection, training and professional involvement of counterpart staff. He will establish and follow up a systematic training programme including staff participation in suitable courses arranged by NIP, IFM and other Tanzanian institutions as well as specialised training courses abroad. He will administer the project's fellowship component. He will also assist TICO's clients (parastatals and industries) in the selection of suitable participants for the project teams and in establishing accelerated programmes for up-grading of staff.

The expert should be engineer or equivalent with experience in industrial consulting and training. Considerable professional experience would substitute for an academic degree.

The assignment will cover the first two years of the project only. Thereafter a Tanzanian will continue this function.

#### Mission of Agency Personnel

A provision for Agency Personnel's mission is made for \$ 6,000.

#### Administrative Support Personnel

Two locally recruited secretaries, 36 months each.

## **2. Provision of Sub-Contractual Services**

The project has no provision for UNDP inputs for such services. It is envisaged that a substantial subcontracting fund for hiring foreign consulting firms will be established in TICO through bilateral assistance arrangements.

The utilization of this fund through preparing terms of reference, selection and contracting of foreign consulting firms, guidance and control of the consulting firm's work and proper association of local staff will be one of the most essential tasks of TICO.

## **3. Training Provisions**

Twelve fellowships will be provided for intensive training abroad, each for an approximate duration of 6 man/months. Total duration will thus be 72 m/m. The precise list of required training cannot be prepared at the present time. The area to be covered are:

- marketing
- project evaluation
- project implementation
- contracting
- specialized aspects in production engineering

The OPAS Co-ordinator of the Consulting Counterparts will specify the fellowship programme in the early stage of the project and he will be responsible for its implementation.

## **4. UNDP Provided Supplies and Equipment**

### **a. Expendable Equipment**

An allocation of \$ 600 is made to cover expenditure for various supplies.

### **b. Non-Expendable Equipment**

The effective operation of the consulting organization requires modern office facilities, equipment and communication means. The following equipment is needed:

	<u>\$</u>
1) Telex	2,000
2) Photocopy Machine	5,000
3) Spirit Copier	900
4) Micrograph Machine	1,200
5) Blucorant Machine	3,500
6) Project Vehicles (two sedans, one with 4-wheel drive)	18,000
7) Complete Drawing outfits (2)	4,000
8) Miscellaneous reproduction equipment (Heavy duty staplers, punches, cutters, tape binding machine, etc.)	1,000
9) Electronic master making machine	1,500
10) Dictating Machine, playback unit and two pocket size units for field-use (all to use standard cassettes)	1,200
11) Electric Typewriter	1,100
12) Electronic Calculating Machines (5)	2,000

e. Miscellaneous

Operation and maintenance of equipment	9,000
Reporting costs (technical reports and investment potential reports)	30,000

G. Description of Government Inputs

1. Financial Obligations

The Government will finance the budget of the Tanzania Industrial Consulting Organisation as a permanent institution during and after the project.

2. Assignment of National Staff

The Government will provide the following Tanzanian counterparts. The starting date shall be January 1976, except for the Director of Consulting Operations, who will start only in January 1978.

(1) General Manager of TICO

The General Manager will be responsible for the overall direction of the organization, for the client and Board relations, for implementing Board decisions, for long-range planning, technical

assistance arrangements and the approval of consulting reports. The location of the activities will be in Dar es Salaam, with travel in the country and abroad.

(ii) Director of Consulting Operations

The Director of Consulting Operations will advise and assist the General Manager. He will assist in the day-to-day direction of the consulting work, including the establishment of relative job priorities. The location of the activities will be in Dar es Salaam, with travel in the country. The starting date is January 1978.

(iii) Professional Officers

- 4 Mechanical engineers
- 1 Civil engineer
- 1 Chemical engineer
- 2 Market analysts
- 4 Economists
- 2 Textile engineers
- 2 Food technologists
- 1 Leather technologist
- 2 Wood technologists
- 2 Metalworking technologists

The location of the activities of the professional officers will be in Dar es Salaam with travel within Tanzania.

(iv) Chief of Administration

The chief of the Administration Section will be in charge of the administrative, clerical, transport and other supporting functions as well as the library. The location of the activities will be in Dar es Salaam.

(v) Supporting Staff

- 2 Administrative Officers
- 1 Accountant
- 1 Personnel Officer
- 1 Registry Officer
- 1 Librarian

- 1 Receptionist
- 2 Secretaries
- 4 Typists
- 3 Drivers
- 2 Messengers
- 2 Duplicating Services Clerks
- 2 Cleaners

3. Government provided buildings and supplies

	Location	Delivery Date	Cost T sh.
The Government will provide adequate office space and furniture	DoS	Jan. 1976	400,000
<u>Expendable equipment:</u>			
Office supplies	DoS	From Jan. 1976	120,000
<u>Miscellaneous</u>			
Operation and maintenance of equipment	DoS	From Jan. 1976	150,000
Maintenance of premises	DoS	From Jan. 1976	60,000
Sundry (Transport and handling of equipment, water supply, electricity, telephones, travelling, contingencies, etc)	DoS (and other parts of the country)	From Jan. 1976	750,000



BAR CHARTS

1976 1977 1978  
J P H A R J J A S O J J P H A R J J A S O J J J P H A R J J A S O J J

- 10. Project Personnel
  - 11-01 Project Manager
  - 11-02 Industrial Project Engineer
  - 11-03 Ind. Proj. Implementation and Cost Report
  - 11-04 Industrial Market Analyst
  - 11-05 Mechanical Engineer
  - 11-06 Electrical Engineer
  - 11-07 Chemical Engineer
  - 11-08 Civil Engineer
  - 11-09 Food Industries Expert
  - 11-10 Textile Industry Expert
  - 11-11 Metalworking Industries Expert
  - 11-12 Short-term Consultants (144 z/m)
- 12. Other Personnel
  - 12-01 Co-ordinator of consulting counterparts
- 13. Administrative Support Personnel
  - 13-01 Secretary
  - 13-02 Secretary
- 20. Trainees
- 31. Fellowships (72 z/m)

BAR CHART (Continued)

1976 1977 1978  
J P H A H J J A S O N R P J P H A H J J A S O N R P J P H A H J J A S O N R

10. Project Personnel (Continued)

General Manager  
Director of Consulting Operations  
Mechanical Engineer  
Mechanical Engineer  
Mechanical Engineer  
Mechanical Engineer  
Civil Engineer  
Chemical Engineer  
Market Analyst  
Market Analyst  
Economist  
Economist  
Economist  
Economist  
Textile Engineer  
Textile Engineer  
Food Technologist  
Food Technologist  
Leather Technologist  
Wood technologist  
Wood Technologist  
Metalworking Ind. Technologist  
Metalworking Ind. Technologist  
Chief of Administration



**PROJECT EXPERT COVERING UNEP CONTRIBUTION**  
(IN US DOLLARS)

**Country:** United Republic of Tanzania  
**Project Number:** UNCT/75/xxx  
**Project title:** Assistance to Tanzania Industrial Consulting Organization

	T O T A L		1976		1977		1978	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$
<b>10. PROJECT PERSONNEL</b>								
11-01 Expert	36	108,000	12	36,000	12	36,000	12	36,000
11-02 Industrial Project Evaluator	36	108,000	12	36,000	12	36,000	12	36,000
11-03 Ind.Proj.Implementation and Contracting Expert	36	108,000	12	36,000	12	36,000	12	36,000
11-04 Industrial Market Analyst	36	108,000	12	36,000	12	36,000	12	36,000
11-05 Mechanical Engineer	36	108,000	12	36,000	12	36,000	12	36,000
11-06 Electrical Engineer	36	108,000	12	36,000	12	36,000	12	36,000
11-07 Chemical Engineer	36	108,000	12	36,000	12	36,000	12	36,000
11-08 Civil Engineer	36	108,000	12	36,000	12	36,000	12	36,000
11-09 Food Industries Expert	36	108,000	12	36,000	12	36,000	12	36,000
11-10 Textile Industry Expert	36	108,000	12	36,000	12	36,000	12	36,000
11-11 Metalworking Industries Expert	36	108,000	12	36,000	12	36,000	12	36,000
11-12 Consultants (short-term, 144 man/months)	144	446,400	48	148,800	48	148,800	48	148,800
11-99 Sub-total	540	1,634,400	180	544,800	180	544,800	180	544,800
12 Open Experts	24	72,000	12	36,000	12	36,000	-	-
12-01 Co-ordinator of Consulting Counterparts	24	72,000	12	36,000	12	36,000	-	-
12-99 Sub-total	24	72,000	12	36,000	12	36,000	-	-
13 Administrative support personnel	36	6,000	12	2,000	12	2,000	12	2,000
13-01 Secretary	36	6,000	12	2,000	12	2,000	12	2,000
13-02 Secretary	12	12,000	24	4,000	24	4,000	24	4,000
13-29 Sub-total	12	12,000	24	4,000	24	4,000	24	4,000
16 Missions of Agency Personnel		6,000		2,000		2,000		2,000

STATE OF TEXAS  
(continued)

	1956		1957		1958	
	%	\$	%	\$	%	\$
1. <u>State</u>	75.62	25,202	75.62	25,202	75.62	25,202
2. <u>County</u>	75.62	25,202	75.62	25,202	75.62	25,202
3. <u>City</u>	41.62	13,822	41.62	13,822	41.62	13,822
4. <u>Other</u>	10.62	3,522	10.62	3,522	10.62	3,522
5. <u>Total</u>	162.48	52,748	162.48	52,748	162.48	52,748

**PROJECT EXPEND COVERING GOVERNMENT CONTRIBUTIONS IN KIND  
(In Thousands Shillings)**

**Country:** United Republic of Tanzania  
**Project Number:** UNP/7/XXX  
**Project Title:** Assistance to Tanzania Industrial Consulting Organization (TICO)

	TOTAL		1976		1977		1978	
	m/a	£	m/a	£	m/a	£	m/a	£
<b>10.11- PROJECT PERSONNEL (Continued)</b>								
General Manager	36	138,000	12	46,000	12	46,000	12	46,000
Director of Consulting Operations	12	36,000	-	-	-	-	12	36,000
Mechanical Engineers (4)	144	336,000	48	112,000	48	112,000	12	112,000
Civil Engineer	36	84,000	12	28,000	12	28,000	12	28,000
Chemical Engineer	36	84,000	12	28,000	12	28,000	12	28,000
Market Analysts (2)	72	168,000	24	56,000	24	56,000	24	56,000
Economists (4)	144	336,000	48	112,000	48	112,000	48	112,000
Textile Engineers (2)	72	168,000	24	56,000	24	56,000	24	56,000
Food Technologists (2)	72	168,000	24	56,000	24	56,000	24	56,000
Metallurgical ind. Technologists (2)	72	168,000	24	56,000	24	56,000	24	56,000
Chief of Administration	36	66,000	12	22,000	12	22,000	12	22,000
<b>12- Staff Support</b>								
Co-ordinator of Consulting Counterparts	24	68,000	12	34,000	12	34,000	-	-
<b>15- Support Personnel (Continued)</b>								
Administrative Officers (2)	72	72,000	24	24,000	24	24,000	24	24,000
Accountant	36	36,000	12	12,000	12	12,000	12	12,000
Personnel Officer (2)	72	72,000	24	24,000	24,00	24,000	24	24,000
Librarian	36	36,000	12	12,000	12	12,000	12	12,000
Secretaries (2), Typists (4), Drivers (3), Messengers (2), Duplicating Services Clerk (2), Cleaners (2)	540	225,000	180	75,000	180	75,000	180	75,000
<b>19 Component Total</b>	<b>1,512</b>	<b>2,261,000</b>	<b>504</b>	<b>153,000</b>	<b>504</b>	<b>153,000</b>	<b>504</b>	<b>153,000</b>

**REPORT OF THE COMMISSIONER OF THE GENERAL LAND OFFICE**

**STATE OF TEXAS**

REPORT OF THE COMMISSIONER OF THE GENERAL LAND OFFICE

FOR THE YEAR ENDING DECEMBER 31, 1904

REPORT OF THE COMMISSIONER OF THE GENERAL LAND OFFICE

FOR THE YEAR ENDING DECEMBER 31, 1904

REPORT OF THE COMMISSIONER OF THE GENERAL LAND OFFICE

(continued)  
STATE OF TEXAS

ANNEX VI

UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of the  
UNITED REPUBLIC OF TANZANIA

**Title:** Industrial Project Evaluation Seminar  
**Number:** URT/75/xrv **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. 60,000 (local currency)  
**UNEP Contribution:** \$ 8,000 (US Dollars)

**Approved:** \_\_\_\_\_  
on behalf of the Government  
(Signature)

**Date:** \_\_\_\_\_

\_\_\_\_\_ **Date:** \_\_\_\_\_  
on behalf of the Executing  
Agency (Signature)

\_\_\_\_\_ **Date:** \_\_\_\_\_  
on behalf of UNEP  
(Signature)



## 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:

- (1) familiarising 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 organisations 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 INP Issues

##### Assignment of International Staff

##### (1) 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 preferences.

\*\* 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.

(11) 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.

G. 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

- (1) The Government will bear the cost of local transport, i.e. the travel of participants from their town of residence to 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.

(11) Food

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/m</u>	<u>£</u>	<u>m/m</u>	<u>£</u>
10.	<u>Project Personnel Component</u>				
11.	<u>Experts</u>				
11-01	Consultants	2	6,000	2	6,000
16	Agency Personnel	-	2,000	-	2,000
19	Component total	2	8,000	2	8,000
99	GRAND TOTAL	2	8,000	2	8,000

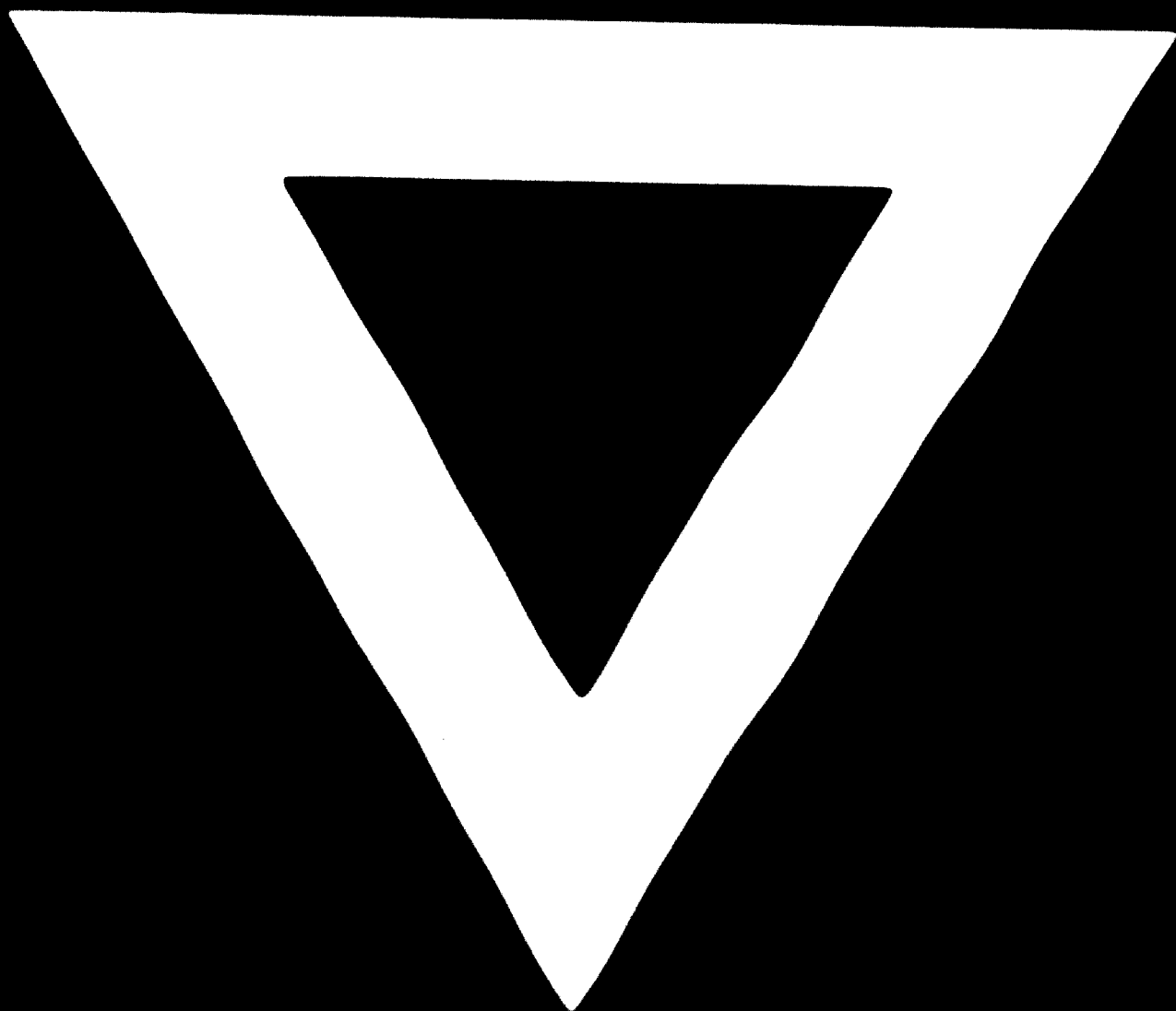
PROJECT BUDGET COVERING GOVERNMENT CONTRIBUTION IN KIND  
(In Tanzanian Shillings)

Country: United Republic of Tanzania  
Project No.: UPT/15/rxx  
Project Title: Industrial Project Evaluation Seminar

	<u>Total</u>	<u>1972</u>
	<u>T. Shs</u>	<u>T. Shs</u>
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>







**76.01.12**