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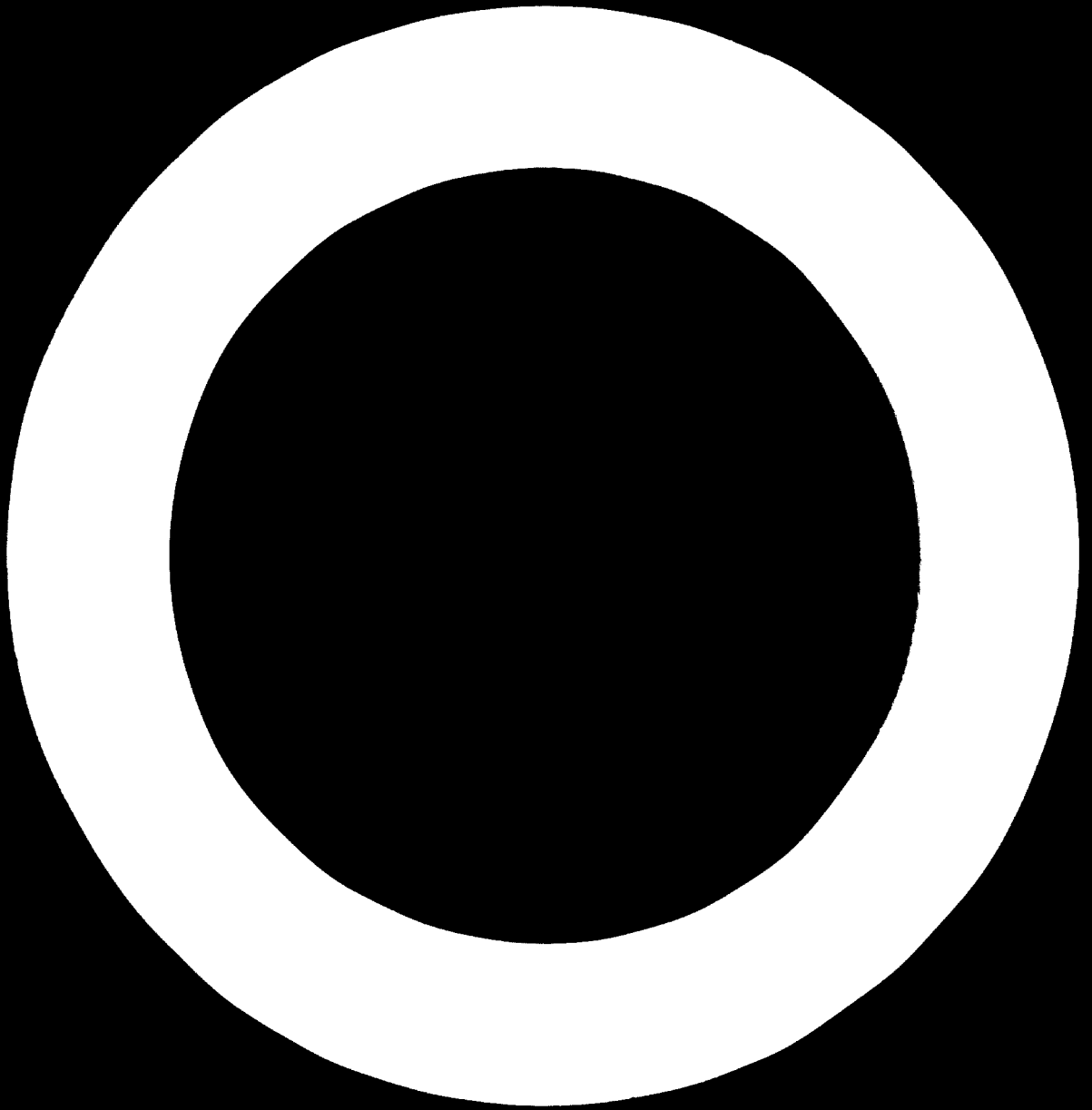
REPORT ON THE UNIDO IDCAS TRAINING WORKSHOP
ON PROJECT PREPARATION AND EVALUATION,^{1/}

Negadison, Democratic Republic of Somalia
(10 - 28 August 1975)

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Introduction

The Training Workshop on Preparation and Evaluation of Industrial Projects was held in Mogadiscio, Democratic Republic of Somalia. It was sponsored jointly by UNIDO and the Industrial Development Centre for Arab States (IDCAS). It was financed by the General Trust Fund of UNIDO (\$6200) and by IDCAS. The preparation and implementation of the workshop was assigned to the Industrial Programming Section, Industrial Policies and Programming Division of UNIDO, and the Economic Division of IDCAS. The preparatory work began in January 1975, and the Workshop was held between 10 and 28 August 1975.

1. Objective of the Workshop

The main objective of the workshop was to provide systematic theoretical and practical training on project preparation and evaluation techniques to participants from different ministries, banks, government institutions, public and private sector enterprises in Somalia in order to create a nucleus of specialists in this field.

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

This was the first Workshop on this subject held in the Arab area, in which all lectures and the case study were based on the methodology adopted by the Manual for Project Evaluation in Arab Countries. The Workshop was used for disseminating and testing the Manual. It is a very encouraging fact that the simple approach for project evaluation advocated by the Manual was very well received by the participants.

As a result of the very good preparation for the Workshop by UNIDO and IDCAS, the good performance of the team of lecturers, the high discipline and diligence of the participants as well as the very good co-operation of the Ministry of Industry, the above objectives were successfully achieved.

Procedure of the Workshop

The Workshop was officially opened on the afternoon of 10 August on the premises of Mogadishu University. On behalf of the Government, the Minister of Industry, Mr. Abdinassar Salas Hassan, and other senior Government officials were present. The Deputy Resident Representative of the UNDP and ILO experts in Mogadishu were also there. Opening statements were made on behalf of the Government and the two organizing agencies. On behalf of the Government, the Minister of Industry welcomed the lecturers and participants and expressed the Government's appreciation for the activities of ILO and IDCAS in organizing the Workshop and interested co-operation in other projects which could assist the economic development of Somalia. Mr. K. Said Ali addressed the Workshop on behalf of IDCAS and Mr. I. Angelov on behalf of UNIDO.

The sessions were held every day except Friday, from 8.00 to 14.00 with two breaks. All lectures and the presentation of the case study were in English. Most participants had a good working knowledge of English.

The Workshop was chaired by Mr. Said Ali from IDCAS and Mr. Angelov from UNIDO. The punctuality of the lecturers was very good and that of the participants good.

The closing session was held on 21 August. All participants, senior Government officials, the Resident Representative of the UNDP, Mr. Ozerov, and other guests were present.

Publicity was given to the opening, proceedings and closing of the Workshop by the information media - radio, newspapers.

Participants in the Workshop

The 41 participants nominated by the Government of Somalia were from the Ministry of Industry, the Directorate of Planning, Ministry of Agriculture, Ministry of Labour, Central Bank, Somali Development Bank, Somaltex, Somali Institute on Development Administration and Management, SNAL, Cigarette and Match Factory, Meat Factory, Foundry Tech. Workshop, Somali Contract Paint, BHE, State Painting Agency, Fisheries, Somali Chemical Industries and from several private industries. Twenty-five of the 41 participants were university

graduates, seven with primary school and the balance with secondary school education. Approximately half of the university graduates were economists, and the other half engineers. Half of the participants had some knowledge of project evaluation, but, with the exception of two or three, all of them lacked systematic knowledge of techniques of project preparation and evaluation and possessed only very limited practical experience in this field. A list of the participants is included in Appendix I.

Most of the participants demonstrated great interest in the training Workshop, attended the sessions regularly, asked questions, shared experience and raised many pertinent points for discussion.

4. Outline of the Workshop

The Workshop comprised presentation of the most essential techniques for preparation and evaluation of industrial projects in a developing country. The presentation of these techniques took approximately 55 hours of lectures, 17 hours of discussion related to the lectures and 24 hours on presentation and solving of a case study on an integrated cotton spinning and weaving textile mill.

The main subjects taught at the Workshop were the following:

1. Interrelationship between national, sectoral and project planning - stages in project planning;
2. Importance and nature of market and demand analysis.
Methods of demand forecasting;
3. Basic engineering aspects of project formulation: production, technology, manpower, project design, infrastructure, plant location, site selection, training and management;
4. Basic concepts and framework of economic analysis - investments, operating costs, cash flow analysis;
5. Basic principles in project evaluation; interrelationship between project formulation and evaluation; commercial and national profitability;

6. Commercial profitability analysis - basic concepts, simple rate of return, pay-back period, present value, internal rate of return;
7. National profitability analysis - basic concepts, basic criteria - value added; additional criteria - international competitiveness, employment effect, balance of payments effect, distribution effect, idle capacity effect; supplementary considerations; price adjustments; national parameters.

The training programme also included visits to several industrial enterprises: Sugar Plant in Jowhar (15 August); I.C.S. Industries, ISMA Industries and Protein Industry in Mogadiscio (18 August) and Soft Drinks Factory (26 August). These visits provided a good opportunity to illustrate some of the subjects taught at the Workshop.

5. Participating Experts

The lecturers at the Workshop were the following experts:

- Mr. Ahmed M. Farahat, Institute of National Planning, Cairo, recruited by IDCAS
- Miss Saadia Montasser, El Shams University, Cairo, recruited by IDCAS
- Mr. Ivan Teodorovic, Economic Institute, Zagreb, Yugoslavia, recruited by UNIDO
- Mr. Jadranko Bendekovic, Economic Institute, Zagreb, Yugoslavia, recruited by IDCAS
- Mr. Ivan Angelov, Industrial Policies and Programming Division, UNIDO.

The lecturers had to select the most essential of the techniques for project preparation and evaluation and present them in a simplified way. The experts did this to our satisfaction. The lectures were theoretically well-founded and at the same time presented in a simple way for easier understanding by the participants.

A list of the reference material distributed among the participants is attached as Appendix II.

6. Appraisal of the Workshop

The last session was devoted to the evaluation of the Workshop by the participants. All participants were invited to complete a questionnaire in English without indicating their names. The questions were as follows:

1. What do you think about the duration of the Workshop?
2. Which of the Workshop documents did you study?
3. Which benefits did you gain from the Workshop?
4. Which parts of the Workshop you enjoyed most?
5. Which parts of the Workshop you did not enjoy? and why?
6. What do you recommend for future IDCAS/UNIDO joint efforts in the field of project preparation and evaluation in the Arab region in general and in Somalia in particular?

The completed questionnaires are now being processed by IDCAS.

7. Recommendations of the Workshop

While answering the last question of the questionnaire, the participants put forward a number of pertinent recommendations addressed to UNIDO and IDCAS. The most important of these are as follows:

- a) Training workshops on project preparation and evaluation to be held in the future in developing countries should last at least four weeks and allocate more time to discussion of practical problems and actual projects of the country;
- b) Participants from Somalia should regularly be invited to attend regional and interregional training courses and seminars on project preparation and evaluation in order to upgrade their skill and exchange experience with colleagues from other countries. Fellowships for longer training in this subject should also be given to Somalia;

- c) UNIDO and IDCAS should send regularly to Somalia relevant up-to-date documentation on this subject;
- d) The Manual for Project Evaluation in Arab Countries to be publicized in the area, action to be taken on its dissemination and on training nationals of different countries in applying the recommended techniques;
- e) UNIDO should recruit more experts for Somalia to advise and assist in identification, preparation, evaluation and implementation of industrial investment projects.

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

APPENDIX I
List of Participants

<u>Name</u>	<u>Institution</u>
1. Abdillahi Abdurahman	Ministry of Agriculture
2. Mohamud Abdi Ali	SIDAM
3. Abdi Girre	State Planning Agency
4. Hassan N. Jimale	ICS Industries
5. Hirrei Kassen	ICS Industries
6. Nur Abdi Hashi	Ministry of Industry
7. Mohamed Noor	State Planning Agency
8. Ali Nur Hassan	SNAI
9. Muse Hirsi Khayre	SNAI
10. Abdilahi Abdi Issa	SOMALTEX
11. Mohamoud Abdi Yusuf	SOMALTEX
12. Dayib Hussein Dawal	Cigarette and Match Factory
13. Mohamoud Mohamed Hassan	Ministry of Labour and Sports
14. Awad Mohamoud	Foundary Mech. Workshop
15. Ahmed Abdulle Yusuf	Meat Factory
16. Ali Mohamed Hreyim	Central Bank
17. Mohamed Haji Musa	Somali Contract Paint
18. Mohamed Suleiman Abdi	ENEE
19. Hassan Oman Olow	State Painting Agency
20. Yassin Ismacil	Ministry of Industry
21. Ali Mohamed Mohamood	State Planning Agency
22. Hawa Noor Keiliye	Ministry of Industry
23. Hussein N. Siyad	Somali Development Bank
24. Abdilahi Hersi Ali	Ministry of Industry
25. Sharif Awees Nur	Ministry of Industry
26. Muridi Ali Saleh	Fisheries
27. Hassan Nudey Hagi	Somali Chemical Industry
28. Omer Abdirahman Ali	Ministry of Industry
29. Yusuf Cumer Jiis	Local Government
30. Abdulkadir Mohamed Osman	Ministry of Industry

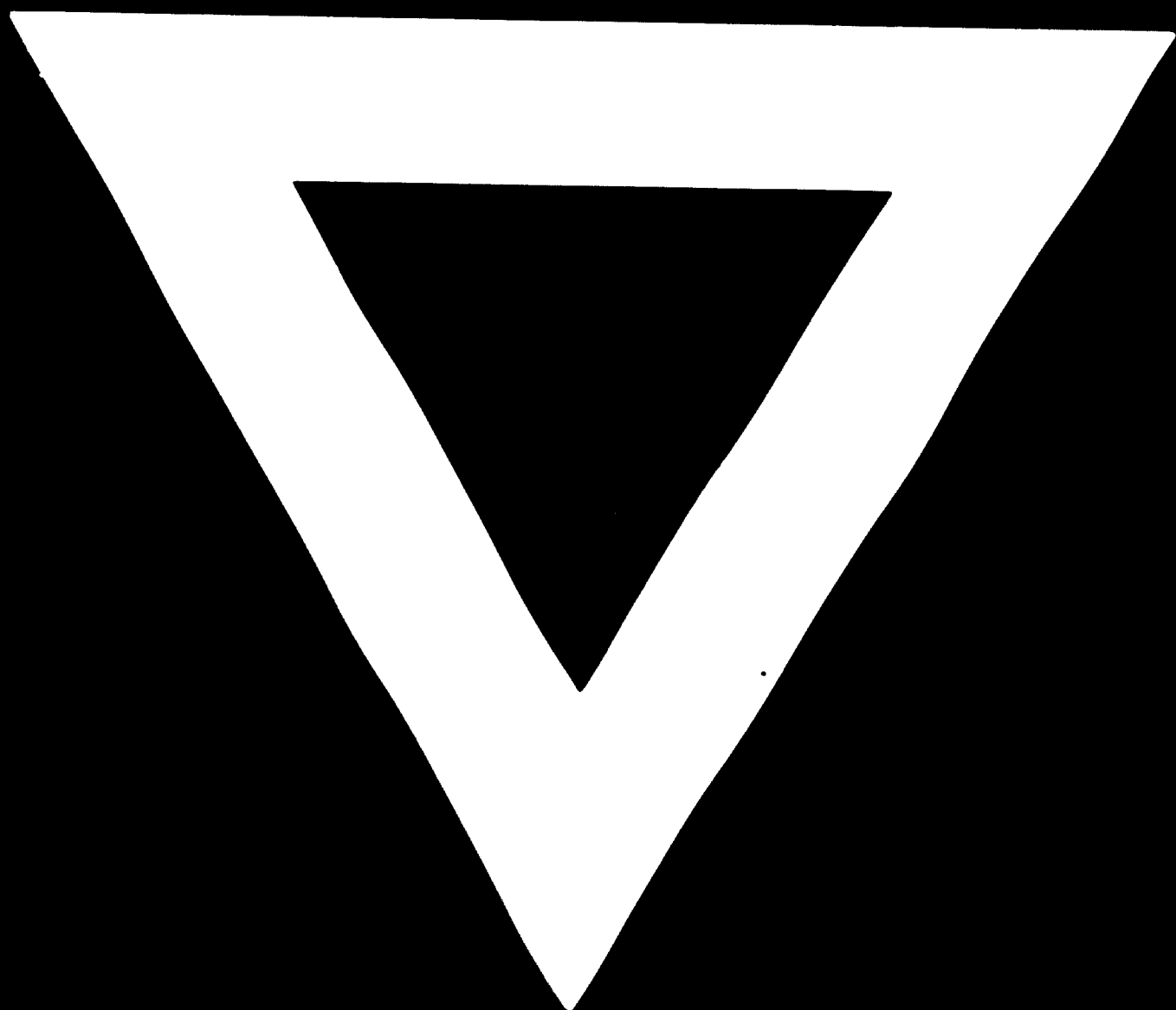
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|------------------------------|-------------------------------|
| 30. Marian Mohamed Barkhadie | Ministry of Labour and Sports |
| 32. Jama Herzi Abdi | SN&I |
| 33. Ali Haibeh Mohamed | State Planning Agency |
| 34. Aden Mohamud Diiriye | Ministry of Labour and Sports |
| 35. Mohamed Ali Abtidon | Somali Development Bank |
| 36. Issa Haj Mousa | Central Bank |
| 37. Mohamed Noor Mohamed | Ministry of Industry |
| 38. Mohamed Haj Issa | Ministry of Industry |
| 39. Abdel Salam Farih Issa | State Planning Agency |
| 40. Hassan Mohamed Gierrie | ICS Industries |
| 41. Mussa Yusuf Abokon | SIDAM |

APPENDIX II

List of Reference Material

1. Interrelationship between Sectoral and Project Planning, prepared by I. Angelov
2. Stages of Industrial Project Development (Classification of Pre-Investment Studies), UNIDO/IPPD/35
3. Basic Concepts in Project Evaluation, UNIDO/IPPD/9
4. Technical and Engineering Aspects in the Development of Industrial Projects, prepared by A. M. Farahat
5. Market Analysis and Methods for Demand Forecasting, prepared by S. Montasser
6. Economic Aspect of Project Preparation, prepared by I. Teodorovic
7. Manual for Project Evaluation in Arab Countries (working draft)
8. An Integrated Cotton Spinning and Weaving Textile Mill (case study), prepared by J. Bendekovic and I. Teodorovic





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