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PROJECT PREPARATION AND EVALUATION

Report of an Interregional Training Workshop,  
Warsaw, 5-24 May 1975.

Id. 75-5195

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards even though the best possible copy was used for preparing the master fiche.

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## INTRODUCTION

The Interregional Training Workshop on Project Preparation and Evaluation was held at Warsaw, 5-24 May 1975. It was sponsored and financed jointly by the United Nations Industrial Development Organization (UNIDO) and the Government of Poland. The preparation for the Workshop had been started as early as March 1974, by the Industrial Programming Section, Industrial Policies and Programming Division of UNIDO, and the Management Development Institute, Warsaw.

The main objective of the Workshop was to provide participants from government, banking and other institutions in various developing countries with practical training in the formulation and evaluation of industrial investment projects in the framework of a comprehensive unified system of planning, such as the system used in Poland. Emphasis was placed on studying the practices of ministries, industrial associations and engineering-design organizations in the identification, formulation, evaluation and selection of investment projects. Bearing in mind that, in practice, the preparation and implementation of projects are closely interrelated and equally important, certain topics of implementation were also covered.

The training methods of the Workshop were adjusted to fit the diverse theoretical and practical backgrounds of the participants. Priority was given to the essential techniques of preparation and evaluation under conditions of comprehensive national planning and the evolution of those techniques in the conditions prevailing in the developing countries represented at the Workshop.

## I. ORGANIZATION OF THE WORKSHOP

### Agenda

The Workshop was officially opened at 10 a.m. on 5 May 1975 in the conference area of the Management Development Institute. Opening statements were made on behalf of the Government of Poland by B. Ostapczuk, Director of the Polish Management Development Institute, and Under-secretary in the Office of the Council of Ministers; on behalf of the mayor of Warsaw, J. Majewski; and on behalf of UNIDO by I. Angelov, Industrial Policies and Programming Division, who was Chairman of the Workshop.

The training programme consisted of sessions held every day except Saturdays and Sundays from 9 a.m. to 5 p.m. with a break of one and a half hours for lunch, as well as other shorter breaks. Most of the lectures were in English; interpretation was provided for those that were not.

The cultural programme comprised visits to historical places in Warsaw and Krakow, the salt mine at Wieliczka, and the former concentration camps at Oswiecim, Gdansk, Gdynia and Westerplatte.

The Deputy Prime Minister of Poland, Franciszek Kaim, held an official reception for the participants of the Workshop on 23 May. He made a comprehensive statement about the major economic development problems now facing Poland, how they were being solved and the basic development objectives set up in the next five-year plan, 1976-1980.

The closing session was held the same day. It was devoted to an evaluation of the Workshop by the participants. Practically all of them made statements, expressing their appreciation for the Workshop and thanking the staff of the Management Development Institute associated with the Workshop for providing the opportunity to become acquainted, not only with project preparation and evaluation, but also with the over-all rapid socio-economic development of the country. Closing statements were made by H. Krol, Deputy Director of the Management Development Institute, and the Chairman of the Workshop.

Ample publicity to the opening and the proceedings of the Workshop was provided by the information media.

### Participants

The Workshop was designed for 20 participants; however, two participants (from Egypt and the Libyan Arab Republic) were withdrawn at the last moment and there was no time to replace them. The remaining 18 participants came from Democratic Yemen, Egypt, Ethiopia, Iran, Iraq, Morocco, Somalia, Sudan, the Syrian Arab Republic, Tunisia and Turkey (see the annex). A Thai who was visiting in Warsaw as an International Labour Organisation Fellow also attended some of the lectures.

All participants were university graduates, approximately half of them in economics and half in engineering. Although they all had a basic knowledge of project preparation and evaluation, some had only limited practical experience in that field. For most of the participants this was the first opportunity to study in a systematic way the procedures and techniques of investment planning and project evaluation in an economy with a comprehensive planning system.

All participants were asked to submit country papers on the subject of the Workshop. Fourteen were submitted, some of them jointly (when more than one participant came from the same country), and were distributed among the participants.

### The training programme

The training programme included lectures on the development of the socio-economic framework during the last 30 years and its present status, and on the procedures and techniques for identification, formulation, evaluation, selection and implementation of investment projects as an integral part of the over-all development planning process. The lectures on procedures and techniques took 30 hours, the discussions 17 hours, and the practical exercises and visits to engineering-design organizations and construction sites 33 hours. Many of the lectures were supported by films, slides, charts, practical demonstrations and other modern teaching methods.

The main subjects taught in the Workshop were the following:

Planning and management systems in Poland

Investment planning in different branches of the industrial sector

Appraisal of individual industrial investment projects  
Evaluation of the economic efficiency of investment projects  
Investment financing  
Implementation of investment projects

More than 20 Polish consultants contributed to the workshop by giving lectures or presenting case studies. The appearance of so many Polish experts at the workshop not only made it more interesting, but also provided the participants with opportunities to meet a number of specialists working at different levels of investment planning and implementation: State Committee on Planning, ministries, industrial associations, universities, research institutes, engineering-design institutions, projects under construction.

An important feature of the group of lecturers was that all had comprehensive theoretical knowledge of and extensive practical experience in their subjects. That made their presentations ample and authoritative. Another feature of the lecturing was that the consultants not only presented the achievements but also the shortcomings and difficulties, not only the merits, but also the defects, of their techniques and procedures. A third feature of the approach of the consultants was that they explained not only the current procedures and techniques of project development, but also the evolution of those procedures and techniques in the course of the last 30 years, the evolution of the over-all planning system, and the main lines of further development and refinement.

Summaries of all lectures were prepared in advance and distributed to the participants. The total volume of documentation distributed exceeded 250 pages, of which the document on project evaluation alone accounted for 102 pages.

The training programme also included visits to Bistyp (an engineering-design firm in Warsaw), the Ministry of Chemical Industry, the construction site of the large iron and steel complex Huta Katowice (near Katowice, 300 km south of Warsaw), and the construction site of the Central Railway Station in Warsaw. These visits provided an opportunity to illustrate some of the subjects taught in the Workshop and to hold discussions with the managers of industrial institutions and projects.



## II. EVALUATION AND RECOMMENDATIONS

The participants attended the sessions regularly, asked many questions, shared their experiences and raised many pertinent points for discussion. That is probably the best evidence, not only of the great importance of the subject for the participants, but also of the excellence of the method of presentation of the Polish experience.

The over-all evaluation of the Workshop was that it achieved its objective to study the Polish procedures and techniques in identification, formulation, evaluation, selection and implementation of investment projects. The additional knowledge and experience acquired by the participants - after appropriate adjustment to the conditions in their countries - should help them improve their work in the field of investment planning.

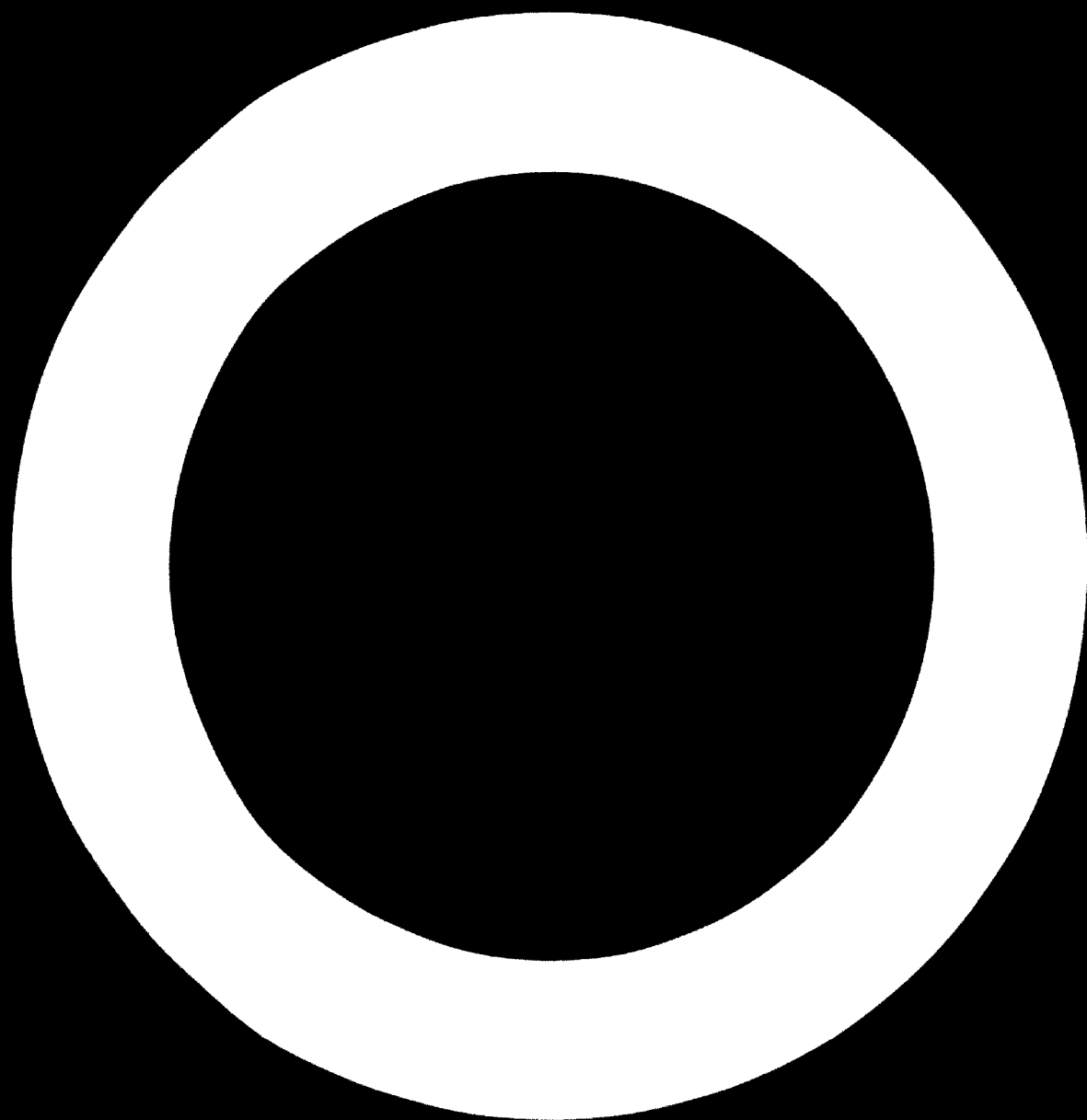
The most important of the recommendations can be summarized as follows:

(a) In organizing similar training programmes in the future in Poland, the time allocated to the specific problems of project preparation (particularly in the specialized branch of engineering-design organizations) and the details of the economic evaluation should be extended so as to include a more general presentation on over-all and investment planning at the sectoral and branch levels;

(b) More emphasis should be placed on the exchange of experiences between the participants. Country papers were submitted and distributed, but during the discussions the participants did not refer to them often enough to permit an analytical comparison of the experiences of the host country and the group of developing countries represented at the Workshop;

(c) Administrative arrangements, especially travel authorizations, should be made early enough so that all participants arrive before the first day of the Workshop;

(d) A second training workshop on this subject should be organized in Poland, to be held during the last quarter of 1976 or the first half of 1977. It could be financed, as before, through the voluntary contribution of Poland to UNIDO.



Annex

LIST OF PARTICIPANTS

**Democratic Yemen**  
Mohamed Karal Abdul Bahim  
Deputy Permanent Secretary for Economic Affairs  
and Head of Financial Department  
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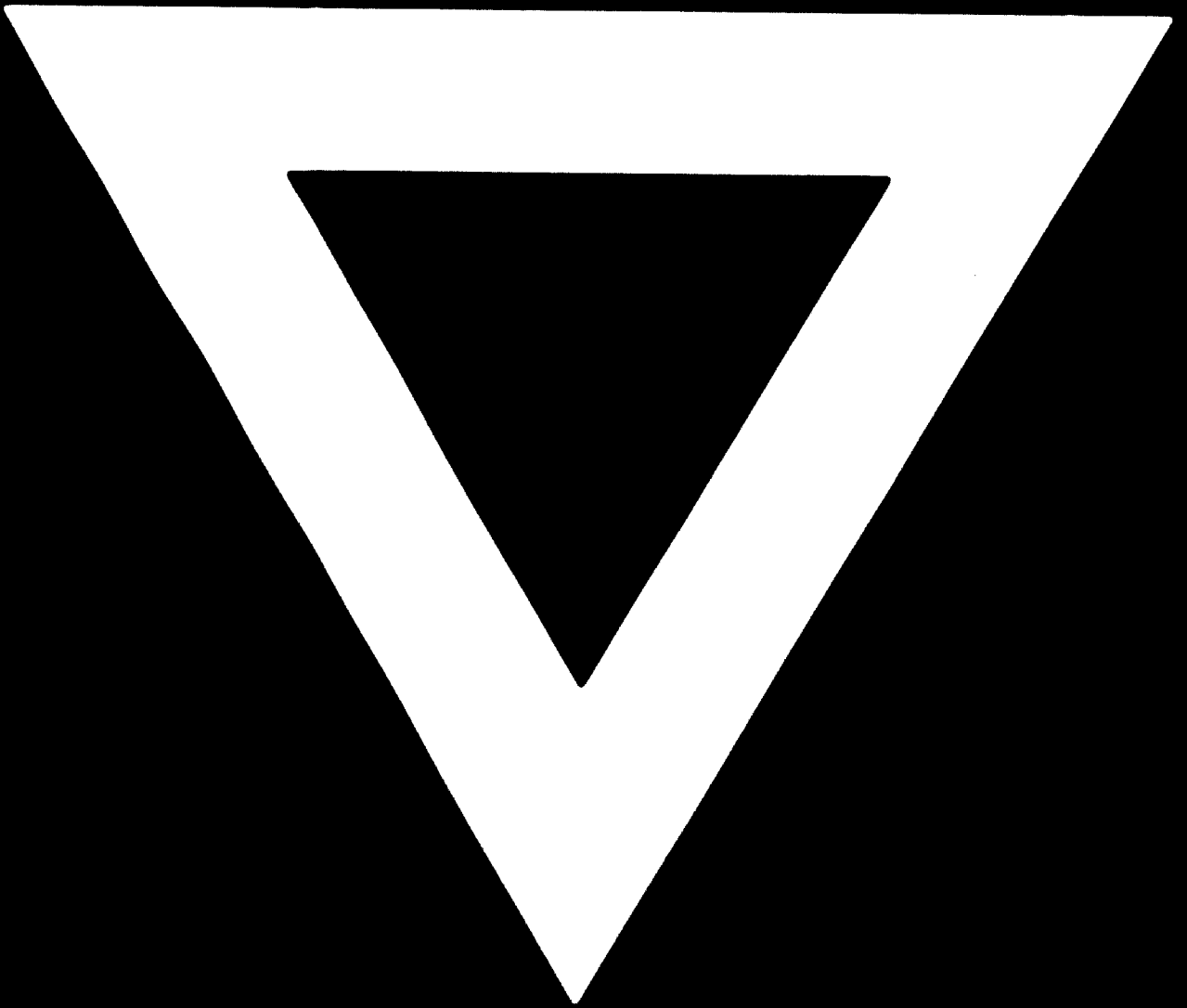
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