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UNITED NATIONS INDUSTRIAL
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CONSULTATIONS ON POLICIES AND SPECIAL MEASURES FOR THE LEAST DEVELOPED COUNTRIES

REPORT OF A MISSION

to

Guinea, Mali, the Upper Volta, the Niger, Benin,
the Central African Republic and Chad

by

Raphaël Kabwa

Least Developed Countries Section
Division of Policy Co-ordination

id.76-4317

TIME-TABLE OF THE MISSION

21 June 1976	Departure from Vienna for Conakry, Guinea
From 21 to 26 June	Stay in the Republic of Guinea
From 26 to 29 June	Stay in the Republic of Mali
From 29 June to 2 July	Stay in the Republic of the Upper Volta
From 3 to 9 July inclusive	Stay in the Republic of the Niger
From 10 to 13 July	Stay in the People's Republic of Benin
From 13 to 15 July	Layover at Douala, Cameroon, because of a change in airline schedules
From 15 to 17 July	Stay in the Central African Republic
From 17 to 21 July	Stay in the Republic of Chad
21 July 1976	Return to Vienna

PURPOSE OF THE MISSION

Consultations and exchanges of views with government authorities of the countries visited for the purpose of identifying projects for which UNIDO might provide technical assistance.

TERMS OF REFERENCE OF THE MISSION

1. Announcement of the setting up, within UNIDO, of a section to deal with the problems of the least developed, land-locked and island developing countries, and explanation of its activities.

2. Discussion of the UNIDO working paper entitled "Formulation of Policy and Special Measures in Favour of the Least Developed, Land-locked and Island Developing Countries" (UNIDO/OED.17, dated 18 March 1976).

3. Presentation of project proposals prepared by UNIDO for the least developed countries.

4. Announcement of the holding in Vienna, from 15 to 24 November 1976, of the Intergovernmental Expert Group Meeting on Industrialization of Least Developed Countries, and an exploration of ways and means of enabling the countries visited to take part in this meeting.

5. Any other business.

I. GUINEA

On 22 June 1976, at 8.30 a.m., we arrived at the office of the United Nations Development Programme for our first meeting with Mr. Eugène Adoboli, the Resident Representative. Mr. Adoboli being otherwise engaged, his assistant, Mr. Dirk Hylkema, informed us that we had an appointment at 10.00 a.m. with Mr. Kissi Kaba Keita, Chief de Cabinet at the Ministry of Planning. During our talk with the Chef de Cabinet at the Ministry we explained in detail the aims of our mission[1/].

With regard to the various projects prepared by UNIDO for Guinea we were careful to make clear that these were merely proposals developed on the basis of information available to the Organization and that, as such, they were in no way compulsory. It was the task of the Governments of the countries concerned to set their own industrial development priorities. The Government of Guinea was, therefore, at liberty to accept the various proposals unchanged, to modify them, or to replace part or even all of them by others in the light of its own actual requirements and priorities.

After we had completed our presentation, Mr. Keita promised us that he would discuss all the points raised with his colleagues at the Ministry of Industry. A working meeting would then be arranged, before our departure, to brief us on the Government's views in this area.

However, events did not transpire as anticipated by the Chef de Cabinet of the Ministry of Planning. On Thursday, 24 June, we were received by His Excellency, Mr. Kaba Mamadi, Minister of Industry and Power, whom we informed of the purposes of our mission. No representative of the Ministry of Planning was present. It should be noted that Minister Mamadi interrupted us to express his disapproval of the term "least developed countries", which he regarded as disparaging. There was a need, he went on to say, for a more fitting term, such as, for example, "least favoured countries".

1/ Since the same presentation of the objectives of our mission was made in all the countries visited, we shall include in the body of the report only the reactions of the government authorities contacted.

Following our presentation, Mr. Mamadi stated that his Ministry would contact the Ministry of Planning, to which all the proposals had been submitted, with a view to studying them, and would transmit its comments to UNIDO through the usual channels. He also gave us to understand that the Government of Guinea would participate in the Intergovernmental Group Meeting on Industrialization if invited.

At the same time, the Minister wished to record a comment to which he attached the greatest importance and which he instructed us to bring to the attention of senior UNIDO officials. The Government of Guinea, the Minister stated, had the feeling that UNIDO made empty promises only, which had led to a loss of confidence in co-operation with it. Months went by from the time a request was submitted to UNIDO to the time the project document was approved, while years were required to carry out the studies. Anywhere from two to five years were spent in discussion of the same problems until finally, tired of waiting, the Government simply abandonei the project. Since the aim was to help the poorest countries and since, moreover, UNIDO's assistance remained free of ulterior motives, Guinea was willing to accept it, provided it was made available at the right time. The Minister recalled that UNIDO was currently carrying out two projects: GUI/74/026 - Establishment of a Central Quality Control Laboratory for Vegetable and Essential Oils, and GUI/71/522 - Pilot Centre for Maintenance and Repair of Industrial Equipment, and he invited us to visit the sites during our stay in the country. Guinea was ready to extend this co-operation, provided that it did not take years to produce concrete results. In view of the delays encountered in the execution of UNIDO projects, Guinea was beginning to wonder whether it had applied to the right place for help.

To illustrate his remarks, the Minister pointed out that Guinea had substantial reserves of bauxite and iron ore. The Government was engaged in negotiations with the FRIA company regarding the processing of the bauxite into alumina and aluminium. It was also conducting negotiations with foreign companies and consortia on the exploitation of the iron ore. If the Guinean Government were to consider setting up an iron and steel industry and applied to UNIDO for assistance, the bilateral aid arrangements would already be

beginning to yield results before UNIDO had got beyond the discussion stage. By appointing citizens of developing countries to the services responsible for providing technical assistance to those countries, the international organizations had shown a sense of awareness, in that matters concerning the least favoured nations were now entrusted to persons with a direct knowledge of the actual problems. But even this was not enough, he concluded, the delays had to be reduced.

We thanked the Minister for his very candid comments and assured him that his views would be included in our report to UNIDO.

At the conclusion of our mission we reported on our talks with the Guinean authorities to Mr. Eugène Adoboli, the UNDP Resident Representative. Mr. Adoboli noted that the projects proposed by UNIDO represented a monetary value of about 5 million US dollars, which if added to the projects already in progress or in preparation would put the UNIDO programme in Guinea at somewhere between 9 and 10 million dollars. Such a programme seemed somewhat ambitious considering that the UNDP ceiling for all sectors of the economy in 1977 amounted to $3,100,000, including the sliding ceiling of $2,850,000. It should also be borne in mind that the SIS special measures funds for the current budgetary period had already been earmarked for the United Nations building project in Guinea. Nevertheless, the Resident Representative promised to transmit our proposals officially to the Guinean Government, emphasizing their tentative nature. He would like UNIDO to indicate which of the proposed projects could be financed out of its own funds. He believed our mission had been timely and assured us of his support for UNIDO's programme in Guinea.

Conclusions

In the light of the comments of the Guinean Minister of Industry, we recommend that UNIDO speed up the approval of projects in preparation and begin work without delay on those that have already been approved. In future, UNIDO should make sure that it is in a position to carry out in good time the projects it proposes to the Government or which are assigned to it for implementation by UNDP. Otherwise it will be difficult for the Organization to preserve its reputation in Guinea.

Other business

1. During our stay in Guinea, we asked Mr. Adoboli, the Resident Representative, for information on the status of the SIS special measures programme for Guinea.

He informed us that the funds available under this programme for the current budgetary period had been earmarked for the United Nations building project in Guinea in order to solve the housing problem for the international community in the country.

2. Visits to the work sites of UNIDO projects in progress:

(a) GUI/71/522 - Pilot Centre for Maintenance and Repair of Industrial Equipment

Construction of the premises, which represents the Government's contribution in kind, is entering its final phase. Mr. Ferdinand Colin, the Project Manager, would like to come to Vienna to take part in the selection of the machine-tools and other equipment required for the Pilot Centre.

(b) GUI/74/04 - Central Quality Control Laboratory for Vegetable and Essential Oils

Construction of the premises, which represents the Government's contribution in kind, is entering its final phase.

Mr. Georges Rousseff, the Project Manager, is impatiently awaiting delivery of the UNDP equipment which he ordered in his letter of 13 April 1976 and about which the Resident Representative sent a reminder in his cable of 4 May 1976. This consists of a Land-Rover, model R 12 TL Break, an air-conditioning unit, a calculating machine and a typewriter.

(c) We also discussed with the Resident Representative the question of sending a one-month exploratory mission to Guinea to study the Government's leather industry requirements, as proposed in the memorandum of 14 June 1976 from the UNIDO Agro-Industries Section. On this subject, in order to avoid dispersal of effort, the Resident Representative would be in favour or providing assistance to strengthen existing facilities rather than to establish new ones.

(d) Finally, Guinea lacks the kind of raw materials which would justify the establishment of a wool processing plant for the production of carpets, blankets and other articles using the technology which has proved successful in Sri Lanka (cf. the unpublished report of expert M. N. Holmes, 57/1A Ward Place, Colombo 7, Sri Lanka, which the Head of the Least Developed Countries Section instructed us to discuss with the authorities of the countries we were to visit).

GUINEA

Persons Contacted

1. Mr. Eugène ADOBOLI, Resident Representative of the United Nations Development Programme (UNDP)

   Mr. Dirk HYLKEMA, Assistant to the Resident Representative

2. Mr. Kissi Kaba KEITA, Chef de Cabinet, Ministry of Planning

   Mr. Abdoulaye DIALLO, Planning Inspector, Ministry of Planning

   Mr. Dirk HYLKEMA, Assistant to the Resident Representative

3. H.E. Mr. Kaba MAMADI, Minister of Industry and Power

   Mr. Georges ROUSSEFF, UNIDO expert, Central Quality Control Laboratory for Vegetable and Essential Oils

   Mr. KONATE, Co-Manager of the Central Laboratory project

   Mr. Ferdinand COLIN, Mechanical engineer, UNIDO expert, Pilot Centre for Maintenance and Repair of Industrial Equipment

   Mr. Abdoulaye TOURE, Co-Manager of the Pilot Centre for Maintenance and Repair of Industrial Equipment

II. MALI

The start of our mission to Mali coincided with the weekend so that we had only Monday, 28 June, during which to complete all our consultations.

At 8.15 in the morning we had our first meeting with Mr. J.-P. Schellenberg, the UNDP Resident Representative, whom we briefed on the objectives of our mission.

Mr. Schellenberg wondered whether it was worthwhile to submit officially to the Malian Government the project proposals prepared by UNIDO since no funds were available under the indicative planning figure and no other source of financing had been indicated. In reply, we pointed out that the various proposals were part of a long-term programme and that all sources of financing, including bilateral assistance, would be explored.

Accompanied by the Resident Representative, we then went to our appointment with Mr. S. Dumbia, Director General of Industry, to whom we explained the purposes of our visit. Also present at the meeting was Mr. Yves Biry, Manager of the "Industrial Promotion Centre" project.

Referring to the Intergovernmental Expert Group Meeting on Industrialization of Least Developed Countries, Mr. Dumbia, while not rejecting such activities, pointed out that there had been many similar meetings and resolutions in the past. The time had come for action, and that required capital. Turning to UNIDO's proposals, Mr. Dumbia emphasized the great importance attached by the Malian Government to the project for the rehabilitation of industrial facilities previously proposed by UNIDO. In his view, this project should take the form of an industrial diagnosis designed to assess the state of the industrial sector and to prepare a programme of action. This diagnosis should be undertaken in close co-operation with the Industrial Promotion Centre. As a practical matter, Mr. Biry, Project Manager for the Industrial Promotion Centre, believes - and we share his opinion - that the task should be entrusted to a firm of consultants.

Following our meeting with the Director General, we were received by His Excellency, Mr. L. Keita, Minister of Industrial Development and Tourism, who expressed his gratification at the creation of a section to deal with the problems of the least developed countries and at the system of consultations that had been set up. He expressed the hope that these consultations would continue in the future.

On the question of the project proposals prepared by UNIDO, the Minister instructed his Director General to inform us of the Government's initial reactions at a later meeting.

In turn, the Minister stressed the importance of the rehabilitation of industrial facilities. This project, designed in the form of an industrial diagnosis, should aim at:

- Analysing the industrial situation in Mali,
- Assessing the outlook for the future,
- Preparing a plan of action keyed to the goals of the Malian development plan.

The Minister also stressed the importance to the Malian Government of the "Industrial Promotion Centre" project, an indispensable tool in the effort to industrialize the country. In conclusion, he stated that the Government was anxious to avoid studies of a general nature that failed to produce any concrete results.

As for the Intergovernmental Expert Group Meeting on Industrialization, Mr. Keita indicated that the Malian Government was willing to attend. UNIDO should, however, make clear what was meant by high-level participation.

If the meeting was to take decisions on political issues that would be binding on the country, then it should be at ministerial level. If, on the other hand, the purpose of the meeting was to discuss technical matters, the proper level would be that of Director General. In any event, a delegation consisting of a single person should not be contemplated. At the time of drafting this report, the question raised by the Minister had already been cleared up in an aide-mémoire on the meeting.

Initial reaction of the Malian Government to the project proposals presented by UNIDO

At 5 p.m. a final working session was held at the office of the Resident Representative, during which the Director General for Industry informed us of the Malian Government's initial reaction to UNIDO's project proposals. Mr. Yves Biry, Project Manager for the Industrial Development Centre, took part in this meeting. The following paragraphs contain, sector by sector, the Government's initial reactions as they were verbally communicated to us by the Director General for Industry; more detailed comments will be transmitted later through the UNDP office in Mali.

A. INDUSTRIAL PLANNING

1. Industrial survey

This project is of interest to the Malian Government, but should be modified to include the question of the rehabilitation of industrial plant. The Malian Government will undertake the task of revising the project. With regard to the rehabilitation of industry, UNDP has already informed UNIDO of the position of the Malian Government in its letter (MLI/75/016) of 11 May 1976.

B. AGRO-INDUSTRIES

1. Assistance for the development of industries producing footwear and other leather goods

This project is of interest to Mali, which has herds of cattle and goats. The subject has already been studied by a UNIDO expert, Mr. Rosnoblet, during a mission to the country. This assistance should be continued. The proposal will be revised.

2. Technical and economic feasibility study for a factory to produce gonakie tannin

The Water and Forestry Department will first have to survey the gonakie plantations to make sure that available supplies warrant industrial exploitation before requesting international assistance.

3. Establishment of a test and quality-control laboratory for foodstuffs

Mali is interested in this project and the Government has already approached FAO and WHO.

4. Establishment of a Community Pilot Food-Processing Centre

The Government is interested in the project and already has some precise ideas on the subject.

C. ENGINEERING INDUSTRIES

1. Reorganization of the government workshop at Bamako (formerly a Krupp holding) for the design and local production of hand tools and simple agricultural machinery

This project will be reconsidered in the light of the results achieved under the programme for the rehabilitation of industry. A clearer view of the situation will be possible after the industrial survey.

2. Study and synthesis of reports and data available on intermediate techniques: simple engineering industries

At this stage the project is not of interest to the Malian Government. The work of synthesis should not be related to conditions in Mali; only afterwards will it be possible to determine whether the project can be adapted to local conditions.

3. Integrated project on transfers of technology from a developing country to the least developed countries

Considered at this level as a follow-up to project 2, this project is of interest to the Government.

4. Establishment of a pilot printshop

A government printing office already exists. The authorities prefer to review the situation before taking a decision.

D. CHEMICAL INDUSTRIES

1. Assistance for the development of chemical industries based on the use of domestically available raw materials

The Government will reformulate the project so that it includes the raw materials available in the country.

2. Assistance for the construction of a soap works

This project is of no interest to Mali.

E. METALLURGICAL INDUSTRIES

1. Establishment of an engineering workshop, ironworks and foundry

The Government needs time to consider this project before reaching a decision.

F. ESTABLISHMENT AND MANAGEMENT OF ENTERPRISES

Some of the activities described in UNIDO's project proposals are included in the proposals of the Industrial Promotion Centre. As for the others, the situation will be clearer after the industrial survey has been carried out.

Conclusions

On the whole, our mission to Mali took place in an atmosphere of good mutual understanding. We hope that once the Malian Government has made its choice among the project proposals which we submitted, UNIDO will do its utmost to carry them out in good time. This will help to preserve its image in the Republic of Mali, an image which is tarnished in Guinea because of delays in carrying out our projects.

Other business

We took the opportunity, during our stay in Mali, to request information on the financial status of the SIS special measures programme. The Resident Representative was surprised by our question. Mr. Schellenberg gave us to understand that he had written to UNIDO on 11 June 1976 (letter No. PRO/301/SIS, requesting information on the status of the SIS programme in general, including the special measures. Although this letter was addressed to the Director of the Operations Division, we believe that action should be taken by the Division of Policy Co-ordination. If UNIDO is unable to provide the information requested, it should contact UNDP Headquarters in New York. In the meantime, the Resident Representative told us, all projects to be financed under the SIS programme have been temporarily shelved.

If it has not already done so, UNIDO should seek clarification regarding the SIS programme in general from UNDP Headquarters in New York.

MALI

Persons contacted

Mr. J.-P. SCHELLENBERG, UNDP Resident Representative

Mr. S. DUMBIA, Director General for Industry

H.E. Mr. L. KEITA, Minister of Industrial Development and Tourism

Mr. Yves BIRY, Project Manager, Industrial Promotion Centre

III. THE UPPER VOLTA

Our mission to the Upper Volta took place in very trying circumstances for we not only mislaid the briefcase containing all the essential documents somewhere between Conakry and Bamako, but found that the UNDP office in Ouagadougou, not knowing what precisely we wished to discuss, had failed to make any sort of advance arrangements. We were told that experience had shown that some representatives of international organizations did not arrive on the dates scheduled for their missions, thus necessitating last-minute cancellations by the UNDP office of appointments already made with Upper Volta authorities.

Immediately after our arrival in the country, we informed Mr. Cuendet, Industrial Development Field Adviser in the Upper Volta, who attends to UNIDO affairs at the UNDP office, of the objectives of our mission. Mr. Cuendet was of the opinion that the working paper prepared by UNIDO, of which he had just received a copy in French from Vienna, contained nothing new. It reflected the Lima Declaration and Plan of Action, which had always guided our activities hitherto.

As far as UNIDO's project proposals were concerned, Mr. Cuendet pointed out that they should have been submitted to the Government for study well in advance of any mission arranged to hold discussions on them.

On 30 June we had a meeting with Mr. I. Bakyono, Director of Industrial Development. Since the project proposals for the Upper Volta had been lost, he was unable to comment on them. He also said that, taken unawares by our visit, he had no project proposals to submit to us on behalf of his Government. He did, however, state that his Government would be represnted at the Inter-governmental Expert Group Meeting on Industrialization, if it received an official invitation. Since the Minister of Industry had just left Ouagadougou on an official mission abroad, no other appointment could be made for us during our stay in the country.

Before leaving the country, we had a final meeting with Mr. J. Høgel, the UNDP Resident Representative in the Upper Volta. Without commenting in detail on the objectives of our mission, which he assumed had been fully

discussed with the Industrial Development Field Adviser, he did offer a number of general but none the less important observations, which should cause UNIDO to think twice before dispatching missions to the field.

Mr. Høgel maintained that UNIDO was wasting money by organizing missions which were unco-ordinated, lacking in precise goals and totally unproductive. More than once, he said, the Upper Volta authorities had intimated that the country had trained technicians of its own and therefore did not need assistance in the planning and formulation of projects. What it did lack was the money to translate such projects into reality. Rather than organize on-the-spot missions which drained its scant resources, UNIDO would do better to send those same missions to certain developed nations in quest of the funds which would enable it to come up with tangible proposals.

What Mr. Høgel had in mind was the establishment of factories based on simplified technologies, using locally available raw materials and manpower in an effort to render the country self-sufficient. If UNIDO hoped to help the Upper Volta Government through UNDP-financed projects, he pointed out, it would not achieve very much in the immediate future since UNDP assistance was based on the National Development Plan, which in turn stressed agriculture.

In reply to our question why the Upper Volta Government consented to the sending of missions by UNIDO when it regarded them as useless, Mr. Høgel answered that out of a sense of courtesy the Government never rejected a mission lest it embarrass the organization.

Conclusions

Our mission to the Upper Volta failed to produce the desired results partly as a result of the loss of the background documents and the lack of preparation. However, it seems to us, in the light of the Resident Representative's remarks, that the results would have been no better even if all our papers had not gone astray. We recommend that in future UNIDO take pains to execute promptly the projects which have been specifically assigned to it for implementation. The Organization should refrain from submitting project proposals which are not geared to the real needs and priorities established by the Government, and should send only such technical missions as were requested.

Other business

We took the opportunity to request clarification regarding the SIS special measures programme and were told by Mr. Høgel that the situation was hopelessly confused. He had been receiving contradictory instructions from UNIDO and UNDP Headquarters.

THE UPPER VOLTA

Persons contacted

Mr. Jens HØGEL, Resident Representative of the United Nations Development Programme (UNDP)

Mr. F. CUENDET, Senior Industrial Development Field Adviser

Mr. Ignace BAKYONO, Director of Industrial Development

IV. THE NIGER

Our mission to the Republic of the Niger started at the beginning of a weekend. On Monday, 5 July 1976, at 9.00 a.m., we had an appointment with Mr. Sharif, our co-ordinator at the UNDP office. Mr. Sharif put us in touch with the Ministry of Planning, whose Director, Mr. Sani Oumarou, had formed a small committee consisting of Mr. Youssef Zaky, an operational assistance expert, and Mr. Rochet, a young French assistant, to discuss the objectives of our mission.

The first question to be raised concerned UNIDO's own financial resources, since, as far as they knew, the ceiling allocated to the country under the indicative planning figure had already been reached and nothing more could be expected before 1978. We explained that all the proposals laid before the Government formed part of a long-range programme that could be financed from sources of every kind, including bilateral aid.

On the matter of bilateral aid, Mr. Zaky and Mr. Rochet made the point that both governments and lending institutions (such as Belgium, the Federal Republic of Germany, the Common Market and the Arab Development Bank, to name only a few) were in direct touch with the developing countries, where they were often represented by large missions. If UNIDO knew of any government that was willing to finance projects in developing countries, it should inform the Government of Niger, specifying the industrial sector concerned. There was no need to send a mission.

Our partners in this discussion pointed out that planning officials had become almost "allergic" to missions from UNIDO, which they considered to be too frequent, disorganized and lacking in clear-cut objectives. What was needed was concrete action.

The only reason for the authorities' favourable response to proposed UNIDO missions was common courtesy. This should not be regarded as a casual remark for it corroborates the views previously expressed by the Resident Representative at Ouagadougou, in the Upper Volta.

Our small committee then proceeded to review all the project proposals prepared by UNIDO. We reproduce below its conclusions in the form of a report to the Ministry of Planning.

REPORT TO THE MINISTRY OF PLANNING ON THE MEETING WITH MR. KABWA (UNIDO) ON 6 JULY 1976

Participants

Mr. R. Kabwa (UNIDO)

Mr. Y. Zaky (Ministry of Planning)

Mr. P. Roche (Ministry of Planning)

Subject

Review of the list of projects for which UNIDO might be requested to provide technical assistance and help in locating bilateral assistance.

1. Industrial planning

The project does not meet the needs of the Niger. It should be remembered, however, that on 8 August 1975 the Government applied to UNDP for the assistance of an expert to help in the reorganization of the industrial development service within the Ministry of Planning.

The financial crisis had prevented UNDP from complying with this request, but the project continues to be of interest to the Niger (three-year programme).

A letter will be sent to UNIDO's Executive Director (with further details to the Resident Representative) requesting financing under UNIDO's regular programme, where funds are available for this purpose.

2. Agro-industries

There are three projects of interest to the Niger:

(a) Sugar project,

(b) Onion dehydration project,

(c) Tomato concentrate and vegetable canning project.

A pre-feasibility study has already been carried out for each of these projects, and the Niger would now like to see a feasibility study and an effort to find financing.

With respect to food processing, an FAO project is already in progress (SOTRAMIL at Zinder) and no other activities are envisaged for the time being.

3. Engineering industries

Following the study carried out by the OCAM/UNIDO mission on the manufacture of agricultural machinery, and that prepared by a UNDP consultant on bicycle and moped production, it is now planned to combine these two projects and UNIDO assistance will probably be requested for their implementation.

With regard to the printing industry, the proposal to set up a new press has been dropped and present plans concern only the extension of the existing printing office. The authorities might be interested in obtaining technical assistance from UNIDO.

4. Metallurgical industries

The combined project for the manufacture of agricultural machinery and bicycles and mopeds will also include the building of a small foundry.

5. Establishment and management of factories

There already exists an SIS project on management and personnel training for mixed-economy business enterprises.

A project has been proposed by UNIDO: an office for the promotion of small and medium-scale industries in Niger. Because of UNDP's financial difficulties, this project is currently in abeyance.

Working paper

Being an exercise in wishful thinking this document does not call for comment.

Participation of the Niger Government in the Intergovernmental Expert Group Meeting on Industrialization

It is proposed that Mr. Kabwa take up the question of this invitation, to be financed by UNIDO, directly with the Niger authorities.

As it turned out, the question of the Niger Government's participation in the work of the Intergovernmental Expert Group Meeting on Industrialization was not discussed since the Director General for Planning, with whom we were to have discussed the matter, was apparently too busy to receive us.

During our stay in the Niger we had a meeting with the Resident Representative, Mr. Rotival. He dismissed any possibility of UNDP financing a new project before 1978, unless the Government cancelled some of its priority projects. If UNIDO had resources of its own, he said, it should finance two projects which the Government considers of priority importance and for which it has already submitted requests to UNIDO. These are:

Assistance for the promotion of small and medium-scale enterprises, and

Assistance for the reorganization of industrial development services

(the request for which was said to have been under review in Vienna for 6 months)

With regard to the first project, Mr. Rotival pointed out that UNDP had made its approval contingent on the definition, by the Government, of the project's institutional framework. However, if UNIDO were to guarantee the financing, the Government would probably produce the necessary clarifications without delay.

Conclusions

It is difficult to form an opinion of the Government's attitude towards the objectives of our mission, the fact being that we were officially received by no member or senior official of the Government. Still, in the light of what we were told by Mr. Zaky and Mr. Rochet, UNIDO should refrain from sending to the Niger missions other than those of a technical nature that had been expressly requested by the Government. Neither should it prepare project proposals unless based on the genuine needs and priorities of the Government, in fact, Mr. Zaky and Mr. Rochet gave us to understand that UNIDO was damaging its reputation in the country by sending out too many missions from Headquarters and by submitting project proposals for assistance in economic sectors which the Government was not even considering.

Other business

With respect to the SIS special measures programme, the Resident Representative referred us to UNDP Headquarters in New York. In any case, said Mr. Rotival, UNIDO had no grounds for complaint because, since 1973, it had managed to carry out only 50 per cent of the SIS special measures projects entrusted to it for execution. The remaining 50 per cent had had to be cancelled owing to delays in their implementation. As an example, he cited the bicycle and moped project, which had had to be transferred from UNIDO to UNDP because for almost two years UNIDO had been unable to find an expert.

THE NIGER

Persons contacted

Mr. ROTIVAL, Resident Representative of the United Nations Development Programme (UNDP)

Mr. SHARIF, Assistant at the UNDP office

Mr. Y. ZAKY, Operational assistance expert } Ministry of Planning

Mr. ROCHET, French technical assistance service } Ministry of Planning

V. BENIN

Upon our arrival at Cotonou on the morning of 9 July 1976, Mr. H. Behrstock gave us a general briefing on UNIDO's technical assistance to Benin. We then informed him of the objectives of our mission to that country.

Mr. Behrstock indicated that UNIDO's project proposals might be of interest to the Government to the extent that they complemented the work of the UNDP/OTC/UNIDO programming mission which had ended at the beginning of the weekend and on which UNIDO had been represented by Mr. G. Dobos, Deputy Director, and Mr. S. N'dam, of the Industrial Operations Division. This programming mission formed part of the "Central Projects Office" project.

During our stay at Cotonou, we had meetings with officials from the Ministries of Rural Development, Industry, and Planning, and from the Central Projects Office.

We were told at these meetings that the Benin Government was faced with an acute shortage of trained personnel capable of planning, studying and drawing up and projects for presentation during visits by international or bilateral missions. This was why the Government had requested assistance from UNDP/OTC/ UNIDO for the establishment of a Central Projects Office.

In the industrial policy area, Benin had assigned priority to projects relating to rural development, agro-industries and business management, including:

Creation of fertilizer and pesticide units for local requirements;

Processing of food products (tomatoes, fruit juices, cassava, corn-mill complex);

Development of mineral resources (project in progress);

Essential oils;

Improvement of the quality of palm oil by eliminating excess acidity;

Supply of fish and shrimp processing equipment;

Promotion of small and medium-scale enterprises;

Assistance to existing enterprises in solving technical and management problems.

In addition, the recently established Ministry of Industry requires assistance for the improvement of the industrial programming unit within the Directorate for Studies and Planning). In this connexion, we were informed by the Ministry of Industry that a request had already been submitted to the UNDP office for an expert and high-level advisers to assist the Directorate in the planning and preparation of projects at times when the Central Projects Office was over-loaded with work.

With respect to projects requiring UNIDO technical assistance, the Government has already delivered to the UNDP office a list of priority projects, including assistance to the ceramic and textile industries. This list of projects was discussed by the UNDP/OTC/UNIDO programming mission which visited Benin from 5 to 9 July 1976.

Regarding UNIDO's project proposals, none of the services contacted could offer comments during our stay in the country. They said they would require time to study all the proposals submitted. The Government's official comments will be transmitted to UNIDO through the UNDP office at the proper time.

The Benin Government is still interested in the Intergovernmental Expert Group Meeting on Industrialization of Least Developed Countries. The participants will be named once the official invitation and aide-mémoire have been received. The Government would like to receive the aide-mémoire and the agenda well in advance of the meeting.

Conclusions

Because of the limited time we spent in Benin, we were not able to canvass the Government's views on either the working paper or UNIDO's project proposals. Nevertheless, officials of the various services contacted informed us that the Government's priority projects had been examined during the UNDP/OTC/UNIDO programming mission. Co-ordination should be carried out at UNIDO Headquarters.

BENIN

Persons contacted

1. Mr. H. BEHRSTOCK, Acting Resident Representative of the United Nations Development Programme (UNDP)
2. Mr. BELLO, Director of Studies and Planning, Ministry of Rural Development
3. Mr. Richard MENSAH, Director of Studies and Planning, Ministry of Industry
4. Mr. Patrice LOGOSSON, Assistant to the Director of Planning
5. Mr. Charles DOREGO, Engineer at the Central Projects Office

VI. THE CENTRAL AFRICAN REPUBLIC

For unforeseen reasons, our stay in the Central African Republic lasted only one working day. This was because, owing to changes in airline schedules, we had a two-day layover at Douala before being able to proceed to Bangui.

On 16 July 1976, at 8.00 am, we had our first meeting with Mr. Boukari Djobo, the Acting Resident Representative, whom we briefed on the objectives of our mission. Mr. G. Van Doosselaere, Industrial Development Field Adviser in Cameroon with responsibility, among other countries, for the Central African Republic and Chad, Mr. Jean-Marie Grimault, industrial promotion and programming expert, and Mr. Jacques d'Adfsky, a UNDP trainee, also attended this meeting. Mr. Djobo took the opportunity to point out that the indicative planning figure for the Central African Republic had been completely exhausted and that, as a result, nothing should be expected in the way of project promotion before 1981.

Following this, we kept our appointment with Mr. Joseph Tromo, Head of the Private Investment Supervision Service, who had been requested by the Minister of Planning to receive us. Mr. Tromo said he was favourably disposed towards the objectives of our mission, but since he had not been informed of them in advance, he was unable to report on his Government's attitude to the three main points involved. He intimated that consultations would have to be held with officials from the Ministries of Planning and Industry before an objective idea of the Government's view could be obtained. Since the time we were to spend in the Central African Republic was extremely limited, we reached an agreement with Mr. Van Doosselaere, the Senior Industrial Development Field Adviser for the region, to the effect that, if requested by the Government, he would return to Bangui at a later date to pick up the Government's comments on the working paper and UNIDO's project proposals.

Mr. Van Doosselaere expressed the view that instead of updating the feasibility studies already completed, as UNIDO had previously recommended, it would be better, in view of the uncertainty regarding sources of financing, to select two or three plants operating below their rated capacity and seek to improve them. A nationalized textile factory seemed to be in that situation. It was suggested that Mr. Grimault, an expert in industrial promotion and programming, should follow up the matter with the Ministry of Planning.

During the afternoon we were received by Mr. Christophe Ouapu, Director for the Promotion of Handicrafts and Small and Medium-Scale Enterprises. He had been instructed by the Minister of Industry to explore with us the possibility of UNIDO assistance for two priority projects.

1. Establishment of a National Handicrafts Centre

The purpose is to set up a supervisory framework and to upgrade all sectors of handicraft activity.

2. Promotion of small and medium-scale enterprises

Personnel training assistance for this project has already been requested from the European Development Fund.

In the case of both these projects, preparatory assistance will be required from UNIDO for formulating the projects, identifying requirements and preparing a programme of implementation. The second stage would involve helping the Government to find the necessary financing to carry out the two projects. It should be noted that, in the case of the first project, the Government has already selected the site and drawn up plans for the Handicrafts Centre.

With regard to the preparatory phase, we replied that UNIDO could assist in the formulation of the two projects by sending short-term experts under its regular programme on behalf of the least developed countries.

As to the implementation phase, we noted that UNIDO could use its good offices to help secure a financing source.

It was decided that the Government would officially request UNIDO for assistance in the preparatory phases of these projects.

In any case, The Minister of Industry insists that the assistance requested should be provided with all possible speed so that the major phases of implementation may begin before the end of 1977.

Later on we learned from the UNDP office that the International Labour Organisation had already sent a mission connected with the Handicrafts Centre project. Should the project be transferred to UNIDO, co-operation with the ILO will be necessary.

Conclusions

During our brief stay at Bangui, it was not possible to obtain any comment from the Government on the three principal objectives of our mission. If requested, Mr. Van Doosselaere, our Senior Industrial Development Field Adviser for the region, will revisit the Central African Republic to receive these comments; otherwise, they will be sent to us via the UNDP Resident Representative.

If the Government submits requests for assistance in the establishment of the National Handicrafts Centre and the promotion of small and medium-scale enterprises, we recommend that UNIDO take the appropriate measures to meet these requests in good time.

THE CENTRAL AFRICAN REPUBLIC

Persons contacted

1. Mr. Boukari DJOBO, Acting Resident Representative of the United Nations Development Programme

2. Mr. G. VAN DOOSSELAERE, Senior Industrial Development Field Adviser, with responsibility for Cameroon, Gabon, Guinea-Bissau, Equatorial Guinea, the Central African Republic, Chad and OCAM.

3. Mr. Joseph TROMO, Head of the Investment Supervision Service, Ministry of Planning

4. Mr. Christophe OUAPU, Director for the Promotion of Handicrafts and Small and Medium-Scale Enterprises

5. Mr. Jean-Marie GRIMAULT, UNIDO expert in industrial promotion and programming

6. Mr. Jacques d'ADFSKY, UNDP trainee

VII. CHAD

As in the Central African Republic, we were accompanied during our mission to Chad by Mr. G. Van Doosselaere, the Senior Industrial Development Field Adviser for the region.

During the weekend of our arrival at N'Djamena we had discussions with Mr. E. Fallot, Head of the "Chad Industrial Promotion Office" project, who also holds the post of National Director. Mr. Fallot made a number of comments on UNIDO's project proposals for Chad. However, since all the Chad authorities whom we later met stated that our proposals would be submitted for study and comment to their technical services, including the Industrial Promotion Office, we have not included Mr. Fallot's preliminary remarks in this report. We have, however, attached the official note he sent us on the working paper entitled "Formulation of policy and special measures in favour of the least developed, land-locked and island developing countries".

Before contacting the local authorities, we had an initial meeting with Mr. Y. Vaneyndhoven, the Acting Resident Representative, who gave us a general briefing on UNDP assistance to Chad. He insisted that during our discussions with Chad Government officials the indicative planning figure should not be mentioned as a source of financing for the promotion of new projects; only UNIDO's own financial resources were to be referred to.

Following that, we had a meeting with His Excellency, Mr. K. Togoi, Minister of Economic Affairs and Planning. While welcoming the objectives of our mission, the Minister, who had been appointed only two weeks earlier, was unable to comment on them for lack of time. He did promise that all the documents placed before him would be submitted to his technical services for study and comment.

We also had meetings with officials of the Directorates for Planning and for Commerce and Industry. During our talks with planning officials we gained the impression that certain sources of capital were imposing conditions and other restrictions inconsistent with the country's needs. As a result, the Chad Government would welcome a disinterested intermediary like UNIDO to assist in identifying new sources of financing. The Directorate for Commerce and Industry indicated that Chad was engaged in bringing about conditions favourable to industrialization in order to attract citizens of the country and foreigners to the industrial sector. However, financial and human resources were needed.

Whatever the case, neither the Directorate for Planning nor the Directorate for Industry was in a position at that time to comment in any way on the working paper or the project proposals presented to them. As the Minister of Economic Affairs and Planning had already told us, UNIDO's proposals would be passed on to the technical services for their comments. All the services contacted, however, confirmed that the Chad Government wished to take part in the Intergovernmental Expert Group Meeting on Industrialisation of Least Developed Countries, if an official invitation were extended.

Conclusions

The Chad authorities were apparently unprepared for our visit and were therefore unable to comment on the objectives of our mission. It was agreed that the Industrial Development Field Adviser, in co-operation with UNDP, would follow up the matter with the Chad Government.

CHAD INDUSTRIAL PROMOTION OFFICE

An Industrial and Commercial Autonomous Public Authority

Boîte Postale 458
N'Djamena, Chad

Telex: 5244 KD
UNDEVPRO: Attention BPIT

Ref. 1470/EF

Note for Mr. Kabwa

Having read working paper OED.17/Rev.1 of 11 May 1976, I should like to share with you a number of personal observations prior to the discussions which you are to have in this country.

1. The majority of least favoured countries (LDC) are small in size and isolated from each other. From the point of view of population, Chad is a good average example.

2. The package of measures proposed in favour of the LDCs involves several hundred man/months per year. As far as Chad is concerned, we have trouble obtaining more than 50 man/months per year. To propose so much activity in the knowledge that only a fourth or even less of that volume can in fact be carried out, may lead to frustration or misunderstanding.

It would be preferable, in my opinion, to begin with at least a rough idea of the quantity of funds available and to distribute them among the various foreseeable areas of activity.

3. Technical assistance with no possibility of financing the investments or the proposed improvements can only lead to waste (in the same way as a badly prepared investment).

UNIDO should not undertake a project unless it is virtually certain that the ensuing operations can be financed.

4. For more than ten years United Nations experts have been working to industrialize the third world. Policy studies and discussions should be based mainly on actual experience (positive and negative), and less on statements of intent. More can be learnt from practical experience than from a long speech.

5. Pilot facilities designed, built and managed by international staff, in premises and with operating personnel supplied by the government concerned, may offer a theoretically interesting solution. They are frequently discussed in general terms.

Would it be possible to obtain some detailed information on practical experience in this area?

6. Basic industries can be considered only in countries which have the appropriate raw materials. If it is true that such industries constitute "the indispensable basis for any industrialization process", the industrial outlook for LDCs may be very dim indeed.

7. Co-operation between LDCs and neighbouring, less disadvantaged countries is often difficult, with the latter more or less overtly exploiting the former. When plans are made to create an industry in a given region, it is highly unlikely that it will be set up in the least favoured country.

8. Since LDCs lack sufficient economic volume, the induced effects of the so-called "industrializing" industries are very limited or nil in these countries.

9. Co-operation with other technical assistance organizations would be simpler and less costly to arrange if each had a clearly defined task. For example, OTC is responsible for digging wells, UNIDO should concentrate on providing the pumps (which for the moment seems to be FAO's area of interest).

10. Most LDCs lack any kind of industrial infrastructure. The first task is therefore to set up an industrial studies office in each country (even if only a small one), to prepare, guide and use the studies carried out in particular sectors. Without such minimal organization, missions will be poorly prepared, difficult to carry out for lack of specific local support, and in danger of not being followed-up.

Generally speaking, if a short study is to prove effective, as much time must be devoted to its development and application as to its elaboration. If UNIDO contributes only the study, it is doing only half the job.

11. A considerable effort should be made to promote cottage industries, which provide a real opportunity for improving the living conditions of rural populations. This is hardly a spectacular undertaking, however, but one that calls for a great deal of realism, imagination and perseverance.

12. A major effort might also be made to develop industries based on local resources of agricultural products. There are particularly difficult problems here, however, owing to the lack of "intermediate technologies". Small-scale industries in this area are rarely profitable because of infrastructure costs and the limited capacity of the local outlets. Export is possible only for the larger, well-equipped enterprises.

13. In a country such as Chad no industry can develop without a partner in an industrialized nation through whom it enjoys ready access to supplies, components, accessories and technical documentation.

(Signed) E. Fallot
Project Head

CHAD

Persons contacted

Mr. Y. VANEYNDHOVEN, Acting Resident Representative of the United Nations Development Programme

H.E. Mr. K. TOGOI, Minister of Economic Affairs and Planning

Mr. BLAYS, Director of Planning

Captain DERRING, Director of Commerce and Industry

Mr. E. FALLOT, Head of the "Chad Industrial Promotion Office" project

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