



**TOGETHER**  
*for a sustainable future*

## OCCASION

This publication has been made available to the public on the occasion of the 50<sup>th</sup> anniversary of the United Nations Industrial Development Organisation.



**TOGETHER**  
*for a sustainable future*

## DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

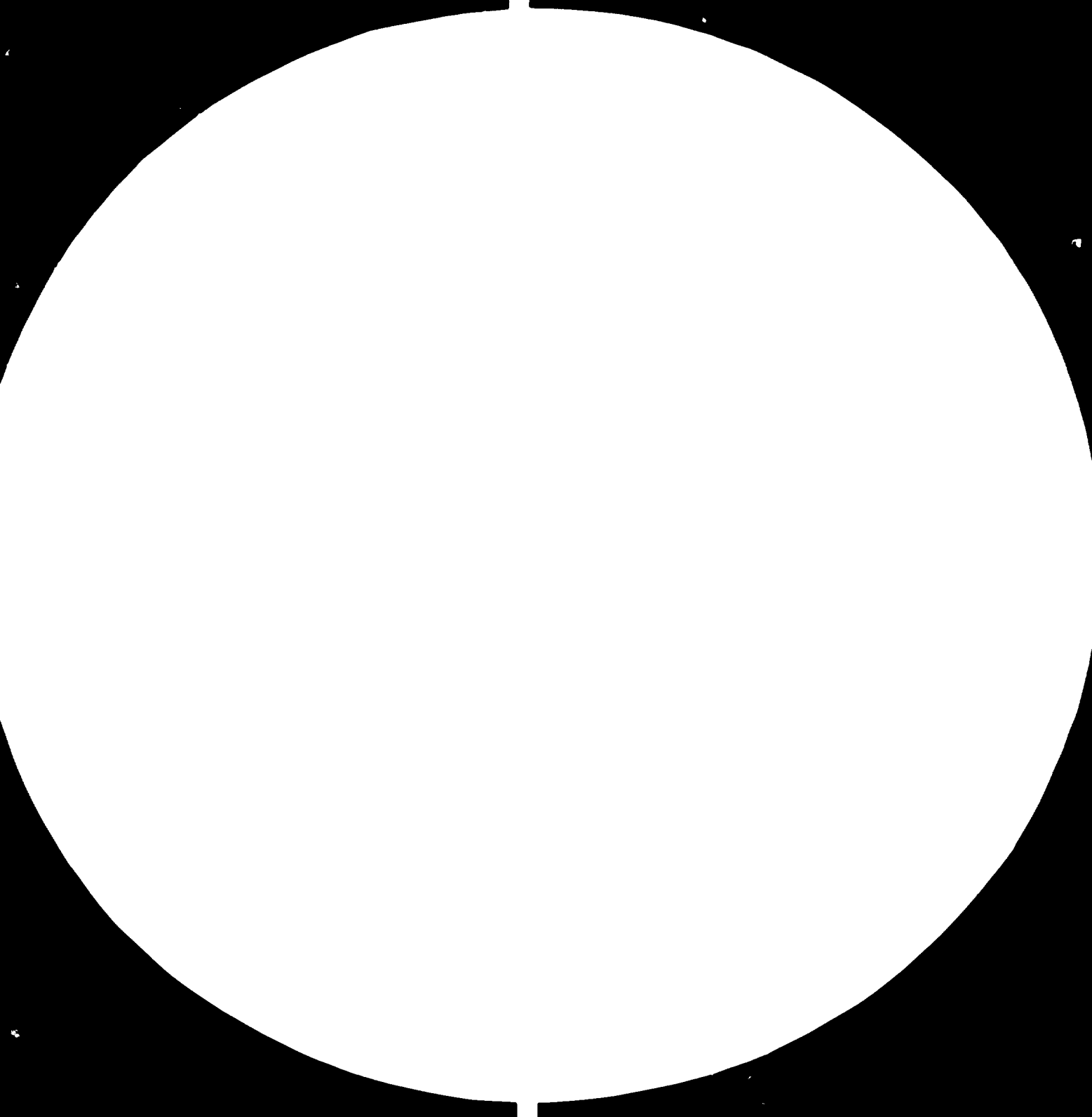
## FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

## CONTACT

Please contact [publications@unido.org](mailto:publications@unido.org) for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at [www.unido.org](http://www.unido.org)





3.2

3.6

4



MEMBER OF THE INTERNATIONAL TELETYPE UNIT

1970-1971

10020

DP/NIR/75/067

(R)

REPORT ON A MISSION TO LAGOS, NIGERIA

May 2 -- August 1, 1990 .

by

Dr. O.W. Morzenstem

0000

C O N T E N T S

I. THE BACKGROUND	p. 3
II. THE METHOD	p 3
III. THE MINISTRY OF INDUSTRIES	p. 4
IV. THE FINDINGS	p 12
V. RECOMMENDATIONS	p 19
VI. IN CONCLUSION	p 24

---

## I. THE BACKGROUND

The origin of this mission goes back to a UNIDO staff member's project formulation mission to Lagos in 1978. The need for a management project within the Ministry of Industries was then established, but subsequently the question of modality presented itself.

This mission was therefore undertaken with a view toward researching primarily the role of the Federal Ministry of Industries in the industrial development of the public and private sector and arriving at recommendations as to how its efficacy might be enhanced.

## II. THE METHOD

The work program clearly seemed to call for the following: - A study of the functional structure of the Ministry. Field work and research among a number of Nigerian enterprises in various branches of industry. A subsequent analysis of the findings. And lastly, appropriate recommendations for measures which ought to be taken by the Ministry and possible assistance by UNIDO.

In the following pages, a description of the structure of the Ministry will be presented as Chapter III, while the findings resulting from this study will be presented together with the results of the research

of the industrial sector as Chapter IV. 1 and 2. The recommendations, finally, will similarly be presented as Chapter V. 1 and 2.

### III. THE MINISTRY OF INDUSTRIES

#### 1. The Civil Service

In this, as in other ministries of the Federal Government of Nigeria, the civil service hierarchy is as follows:

The Minister

The Permanent Secretary

Director

Assistant Director (sometimes:  
Principal Secretary)

Deputy Secretary

Under Secretary

Principal Assistant Secretary

Senior Assistant Secretary

Assistant Secretary

clerical ranks

The Ministry of Industries consists, essentially, of three Departments, each of which in turn has a number of Divisions.

The Departments are as follows: -

1. The Projects Implementation Department
2. The Department of Industrial Institutions,  
Policy and Planning
3. The Department of Administration and Finance

These Departments are headed by Directors. In addition, there are also three autonomous Divisions which are in charge of directors as well.

They are: -

1. The Industrial Inspectorate Division
2. The National Standards Organization
3. The Legal Division

And lastly, there is N.I.S.E.R., the Nigerian Institute of Social and Economic Research.

The former Iron and Steel Division is being moved out of the Ministry to become a Ministry in its own right.

2. The Projects Implementation Department

This Department consists of the following five Divisions, each under an Assistant Director: -

1. The Div. of Agro-Allied Industries
2. The Div. of Chemical Industries



3. The Division of Engineering
4. The Div. of Petro-Chemical Industries
5. The Div. of Textile Industries

Most of these Divisions have sub-units under Deputy or Under Secretaries, such as the sub-division for paper and pulp or fisheries and shrimps within the Division of Agro-Allied Industries. It is their function to initiate new industrial projects in their respective fields. In the case of financial institutions, however, it is the Ministry of Finance which must act, while the Ministry of Industries retains observer status. — Furthermore, this Department decides about concessions to be granted in the fields of the various Divisions.

3. The Department of Industrial Institutions,  
Policy, and Planning

The Department is made up of four Divisions which are also headed by Assistant Directors. They are:-

1. The Division of Industrial Management
2. The Div. of Industrial Policy and Planning
3. The Investment Information Center
4. The Division of Small Scale Industries

In addition to its other functions, more about which below, the Division of Industrial Policy and Planning maintains informal contact with the Federal Ministry of Science and Technology.

The Division of Small Scale Industries appears to be in the process of reorganization. — (Otherwise, the names of these four Divisions are largely self-explanatory.

#### 4. The Department of Administration and Finance

This Department, too, has four Divisions:-

1. The Finance and Accounts Division
2. The Industrial Supervision Unit
3. The Industrial Training Fund
4. The Nigerian Enterprises Promotion Board

The Finance and Accounts Division exercises control functions within the Ministry. — The Industrial Supervision Unit serves a number of functions. It tries to keep Nigerian enterprises informed of the availability of domestically produced raw materials, semi-finished products, or usable by-products; and it also watches ~~ab~~ out for possible pollution problems, to name just two examples. The Division seems under-staffed.

The third and the fourth of the above named Divisions appear to be only loosely connected with the Department and are not even housed within the Ministry at the Federal Secretariat Complex.

The Industrial Training Fund collects financial contributions from the various enterprises and, in turn, approves of and participates in the cost of staff training projects.

The Nigerian Enterprises Promotion Board was established to effect the transfer of enterprises from foreign to Nigerian ownership in accordance with a set of schedules which stipulate a requirement of 100%, 60%, or 40% Nigerian ownership, depending upon the nature of the enterprise.

#### 5. N.O.I.P

For the sake of completeness, the National Office of Industrial Property should also be mentioned. The name is perhaps somewhat misleading. The N.O.I.P.'s function is to "monitor" the transfer of skills and technology. At present, however, it is just a three-men office, waiting to be transferred to the Ministry of Science and Technology. Obviously, one can hardly expect it to be operational under these circumstances.

## 6. The Industrialization Function

It is the Division of Policy and Planning (see Section 3 above) which commissions feasibility studies and suggests to the Minister the setting up of new industrial enterprises in one field or another. If the Minister approves, regard being had of course to the provisions of the current development plan, the Department concerned will be asked to act through its relevant Division. There is no need here to go into the legal technicalities of co-operation between the Federal and the individual State governments. The same applies, of course, to the matter of financing these new enterprises, though normally the main burden falls upon the Federal Government. In addition to participation by State governments, some of the financing is often also undertaken by such financial institutions as the Nigerian Bank for Industrial Development -- which is one hundred per cent government-owned.

Initially, then, one or the other of the Ministry's Divisions is responsible for bringing the new industrial enterprise to the "take-off" phase. Up to that point, it is the Division's "baby". Thereafter, there should, in theory at least, be no difference between the newly created and any of the old established companies in the country.

### 7. The Ministry and The Industrial Enterprise

The border between public and private enterprise in Nigeria is a fluid one. In theory at least, there are no state enterprises as such. There are simply some companies in which the Nigerian government owns one hundred per cent of the shares. In others, it may be the majority shareholder, or it may merely own a sufficiently large number of shares to exert a controlling influence. In some cases even a relatively small investment may suffice to establish the government's presence and the necessary measure of influence. -- There are of course also a large number of companies in which the government does not participate as a shareholder.

All these companies are expected to operate according to normal business principles; i.e. they are supposed to be run efficiently and profitably and to yield dividends and pay taxes. -- It is also the declared intention of the government to sell its shares in due course and thus to de-nationalize, so to speak.

Meanwhile, however, the government exercises its control as a shareholder by appointing company directors of its own choosing. Until now, these appointees were selected from among the civil servants of the Ministry of Industries. Now, these are being phased out in favor of

private individuals or — as is being said — political appointees. Through these government-appointed directors, the Division of Industrial Management is supposed to maintain the link between the Ministry and the individual enterprises.

It should be added that while the various companies in which the government owns stock come thus into the domain of the Ministry of Industries' Division of Industrial Management, the shares, themselves, are legally owned by the Ministry of Finance.

#### 8. The Development Plan

As this is being written, Nigeria's new Five-Year Development Plan is in the process of being drawn up. Unfortunately, it has not been possible to obtain an advance copy or even an early draft of it. This is all the more regrettable as the planners must obviously take into account the actual functioning of the Ministry of Industries, as well as that of other government departments, and also possibly anticipated changes. — Perhaps they might also have been interested in some of the comments made in this report.

#### IV. THE FINDINGS

##### 1. From the Ministry's Perspective

As far as the functional organization of the Ministry is concerned, one might perhaps feel inclined to argue about some of the underlying policy principles, but that would go far beyond the scope of this report. Taking the arrangements of the Ministry therefore as given, it remains to analyze the actual functioning of the organization.

The following observations are not presented in any order of importance. It would be practically impossible to establish any such scale of relative importance or urgency as this would imply. These observations are simply presented here as a basis for the recommendations which will be made in Chapter V. of this study.

As has been shown in the previous section, the Ministry's Division of Industrial Management is charged with exercising control, or at least exerting a certain amount of necessary influence, in those companies in which the government is a shareholder. This is to be accomplished through the government-appointed directors serving on the boards of these companies. In actual fact, however, many, if not the majority, of these company directors do not "belong" to the

Division of Industrial Management, but were originally supplied by the Division which set up the company in question initially and then failed to relinquish control. This not only leads to a completely unwarranted sharing of functions but also makes the task of the Division of Industrial Management considerably more difficult because, not having all the directors under its control, it cannot deploy them to best advantage.

The following circumstance further complicates matters. While the Industrial Management Division is charged with carrying out those functions for which it was established, the shares in the companies which must be administered are, as already mentioned, legally owned by the Ministry of Finance. As is only natural, the Finance Ministry has its own views on various subjects and will of course pursue its own policies. And it has the means to do so; the shareholders' meeting being just one of them.

Things which have been told one "off the record" must always be treated with the greatest care. But if one is told by ~~the~~ a member of one ministry that there is a plan to expand at the expense of another and that in the process an entire Division of that other ministry may be taken over, that must at least be taken as an indication that there exists a sufficient amount of overlap to serve as the basis for such an idea



and that inter-ministerial co-operation is not all that it should be.

Be that as it may; the fact remains that the Ministry of Finance as the legal owner of the shares exercises a control function which in large measure duplicates the functions already carried out by the Ministry of Industries. This is a problem which naturally does not arise in the case of companies whose shares are entirely in private hands and whose board of directors' responsibility under the existing laws and subject to the tax audit appears to be sufficient.

The established practice of having government appointed directors to the boards of those companies in which it owns stock presents quite a number of problems. First of all, there is the principal question as to whether these directors should just be board members who merely attend quarterly meetings or whether they should be executive directors who actually help manage these companies. The name of the Division of Industrial Management perhaps suggests an answer to this question.

At present, at any rate, these directors are only board members. And while it is certainly true that much less is demanded of them than would be of an executive director, the fact remains that at least the great majority of them lack the necessary training, background, or any other kind of qualification for their positions on the various companies' boards. The one great thing in their favor, of course, is

administrative experience. At least, that applies to the civil service appointees. As far as the appointees from among the private citizens are concerned, one cannot very well generalize. One can only point out that with these appointments it may be very difficult to avoid a development which may eventually lead to a patronage system with all the disadvantages that that would entail.

However, even a mere board membership requires a certain amount of effort and of time which must be sacrificed on the part of the appointee. The civil servant who holds such a directorship must still carry out his regular duties, but he receives no additional remuneration. Since he is a salaried civil servant, the director's fees which the company pays are collected by the State. Still, he is expected to do his "homework" and to prepare for the board meetings which he is supposed to attend -- and afterwards to catch up with his own work at the office. It does not seem reasonable to expect such a man to be very strongly motivated.

To avoid any possible misunderstanding, it must be emphasized here that these remarks are not meant as a criticism of the civil servant - director. He is doing his best to do a job for which he was not trained, in addition to his regular duties, and without any tangible reward.

## 2. From the Company's Perspective

It is not surprising that comments differed according to whether the executives interviewed belonged to firms which were privately owned or wholly or partly under Government ownership. In some areas, however, there was virtual unanimity. Practically all the executives interviewed expressed a wish for more freedom of action in their own domain, suggesting that when it comes to guidelines, rules, and directives, "less would be more".

Some comments were of too general a nature to be properly evaluated, such as the wish for more "dialog" between industry and the authorities; but they were too frequent to be lightly disregarded.

Occasionally, the view was expressed that some legislation which was well intended was either wrongly interpreted or else had undesirable side-effects. The manager of one firm, for instance, complained that while it was possible to bring specially trained technicians from abroad, it was virtually impossible to get permission to bring in an equally important highly specialized "business technician" even though there might be no Nigerian national to fill the position. His argument was that this was, after all, a business decision; that a company would certainly not waste money on travel

expenses and the likelihood to bring in an expatriate if the position could more economically be filled locally; and if this was to the advantage of his firm and its sixty per cent Nigerian shareholders it ought to be also in the interest of the country.

Another observation in the same general area concerned the classification of an enterprise as Nigerian or alien. Why indeed should a company with sixty or more per cent Nigerian ownership still be considered alien? The effect of this ruling can very easily be contrary to the national interest. If such a company, for example, were in fact considered Nigerian, it could under the terms of a joint venture agreement acquire a sixty per cent majority in a foreign enterprise wishing to settle in Nigeria, which would give greatly increased leverage to Nigerian capital.

Once more it is necessary to return to the topic of government - appointed company directors. How do managers and executives feel about them? -- The manager of one wholly government-owned company had no complaint. In the past, of course, he had had directors who would come unprepared to board meetings or sometimes would not attend at all. But then he had decided to "train" his directors, to make sure that they read the minutes and studied the agenda, that they understood "what it was all about", and after that he had no problems and no complaints. In other words, he had initiated his own on the

job training program and was obviously successful and justifiably satisfied with the results.

Other executives were less happy. The complaints ranged from a "lack of business understanding" to an apparent reluctance to make decisions. It seems that on occasion a manager may be asked to hold a relatively minor matter in abeyance pending a board meeting, which will not take place for another couple of months or so: or a board meeting may prefer to pass a matter on to the Ministry, rather than make or even recommend a decision themselves. All this can have a paralyzing effect on any business in the long run. The reason, however, may not be indecisiveness at all. This kind of behavior may be caused by a feeling of insecurity due to unfamiliarity with the basic issues involved.

All this should not give the impression that comments such as the above may be heard only in regard to Government-appointed directors. The manager of a very large company, for example, which has no civil servant - directors on its board actually used the expression "more hindrance than help." But this paper is concerned with the relations between the Ministry and business, and not with the internal problems of private companies.

## V. RECOMMENDATIONS

### 1. Recommendations for Ministerial

#### Action.

It should be apparent from the foregoing that there is a real need to strengthen the Division of Industrial Management. This requires, first of all, the transfer of all appointed company directors to the jurisdiction of that Division. To the extent that newly established enterprises are still in need of technical expertise, this should be supplied by the initially sponsoring Division on a different level.

Some misgivings have already been expressed in the preceding section of this report concerning the appointment of non-civil service directors to represent the Ministry's interests in wholly or partly government-owned companies. Not only is this practice likely to introduce an element of instability and may eventually, when circumstances are unfavorable, degenerate into a patronage system -- as has already been pointed out -- but there is also the immediate question of efficiency to consider. Private citizens from varying backgrounds will of necessity form a much more heterogeneous group than a body of civil servants who have administrative experience in common and are all answerable to the same Ministry.

Also, the ministerially appointed directors chosen from the ranks of the civil service are in an ideal position to act as a link between their companies and their Ministry. This is a possibility well worth developing in order to counter the complaint of "insufficient dialog" quoted earlier.

There is clearly an urgent need for better training of these directors. Ideally, they should be executive directors instead of merely board members. And their training should be such as to enable them to accept responsibility and to act on their own most of the time. This means of course, that they should only carry a reduced work load at the ministry or, in some cases, be excused from their regular duties altogether. At the same time, they certainly appear entitled to some positive incentive as well. Perhaps a director's fee in the form of stock in the company they help to manage might be considered?

Eventually, this may lead to the formation of a cadre of efficient, professional managers within the civil service and readily at the disposal of the Ministry. The possibility of bringing together all wholly or partially government-owned enterprises <sup>under a holding company</sup> is not a new idea and has already been discussed. When the time comes, the Ministry of Industries would be ready.

The elimination of overlaps, duplications of functions or of controls is an obvious need. It is equally obvious that this is an internal

administrative matter, and only the top echelon officers within the Ministry can effectively deal with it. The matter is only brought up here to draw attention to a problem which in all likelihood has developed slowly and unnoticed.

There is also the ~~point~~ question of reviewing legislation and regulations which in actual practice may inhibit rather than help industrial development.

Some of these points will be raised again in the second part of this chapter, in connection with possible UNIDO assistance.

## 2. Recommendations for UNIDO Assistance.

From the foregoing, the need for two UNIDO projects, rather than one, <sup>emerges</sup> ~~is required~~ in order to effectively help solve some of the Ministry's major problems.

There is, first of all, the need to review the existing body of legislation affecting industry, together with its current interpretation and attendant regulations. Some legal provisions or some regulations can perhaps be dispensed with, giving the Nigerian industrialist or business man greater freedom of action without at the same time impinging upon the Government's policy making ability or regulatory



function. While this is extremely important, it is something which can hardly be done by an "insider" who will inevitably be rooted in administrative custom and legal tradition. A UNIDO team to advise on this matter would have to bring business, legal, and administrative expertise to this task.

The other matter in which UNIDO assistance is urgently needed is the matter of bringing the qualifications of the company directors who represent government interests up to the mark. Here, as already indicated, the Ministry has basically two options. It can choose to stay with the present system of appointing board members, or it can provide actual management by supplying its companies with executive directors. The latter option would certainly be preferable. A more homogeneous body of men could be brought into being if the Government were to reconsider its decision to appoint private individuals from outside the Ministry. Failing this, the non-civil service appointees should at least be made to attend a Government - UNIDO sponsored training program together with their colleagues from the Ministry. But even so, this would only be a compromise.

The contents of the training scheme here envisaged must depend of course on how the Government decides in regard to the above options.

This will also determine the length of the training program and the composition of the training staff. It is because these decisions have yet to be made by the Ministry that more precise suggestions cannot be made at this point in time. Only, in view of the circumstances, the training program ought to be as intensive and as little time consuming as possible. Initially, the entire body of directors currently serving on company boards should be given the opportunity to participate in the training program, together with such new appointees as have not taken up their new duties yet at the time. Thereafter, there will be a need for further training programs on a periodical basis, to keep pace with the turnover rate and additional appointments.

There are of course business administration courses available at Nigerian universities; and there is a Center for management development, a project of the I.L.O. But it seems doubtful whether the kind of "tailor made", highly intensive program that is actually required could satisfactorily be put together and offered as and when needed on the basis of local availability.

It may be worth adding that the kind of industrial management program recommended here may also serve as a prototype for other ministries, such as the Ministry of Finance, for example, which appoints directors for various financial institutions. Or perhaps the program may event-

ually be expanded to take care of the needs of other ministries as well. A subsequent development of this kind is especially to be hoped for and should therefore not be lost sight of, as a program of this nature calls for a very substantial effort.

#### VI. IN CONCLUSION

A report like this is a little like an iceberg. The biggest part, the work that went into it, does not show.

At the Federal Ministry of Industries, I have met the Permanent Secretary and two of the three Directors of Departments, ~~the third~~ one was too elusive. I have conferred with all but one of the Assistant Directors and with most of the Deputy and Under Secretaries. I have also spoken with the head of N.I.S.E.R.; and I have met the Director of the Center for Management Development.

Researching the industrial sector, I have visited and had talks with a dozen business executives. My "subjects" ranged from the top executive of a textile company to the general manager of an automobile assembly plant; and as a borderline case, they included also a forwarding agent. -- The discussions <sup>were</sup> ~~was~~ very frank, and I was usually asked not to quote or to mention any names.

I have found much co-operation within the Ministry of Industries, for which I am grateful. A few things were also told me "off the record", and this I have respected.

I have reported things as I have found them, and I hope my recommendations will receive serious consideration.

Dr. O.W. Morgenstern

Lagos, Nigeria

July 26, 1960

APPENDIX

The following pages contain drafts for the relevant paragraphs of the necessary project documents concerning two projects recommendations contained in the foregoing report.

The first recommendation calls for an Executive Training Program for company directors appointed by, and answerable to, the Government of Nigeria in its capacity as shareholder.

The second, though this does not reflect any order of importance, is for an Industrial-Legal and Administrative Review Project.

---

## Executive Training Program

### II.A. Development Objective

The purpose of this training program is the enhancement of the Nigerian Federal Ministry of Industries' ability, through its Division of Industrial Management, to promote and monitor the industrial development of the Nigerian economy.

### B. Immediate Objective

The project is designed to strengthen the Ministry's Division of Industrial Management by putting appropriate and up-to-date training at the disposal of government-appointed directors who are answerable to it.

### C. Special Considerations

None.

### D. Background and Justification

A project of assistance in Industrial Management is included in Nigeria's current country program. -- The origins of this training program ultimately go back to a UNIDO staff member's project formulation mission in 1978.

The need for this training program was determined in the course of a study of the Ministry of Industries and the industrial sector undertaken as a consultant's mission DP/NIR/75/067/A/01/37 during May, June, July, 1980.

In the course of the above mentioned mission it was found that the

hitherto applied system of maintaining control of wholly or partly government-owned industrial enterprises through directors appointed for this purpose was ineffectual and unsatisfactory. As these directors are by and large untrained for this function and inexperienced, the logical answer to the problem lies in providing a program that will properly qualify them for their task.

So long as the Government policy concerning enterprises in which it owns stock remains unchanged, this program ought to remain an ongoing project. It is also capable of being expanded to serve wider interests.

#### E. Outputs

The project output will consist, initially, of providing suitable and effective training for an estimated 170 company directors. -- Subsequently, it is to take care of the needs of new appointees on the basis of turnover and growth.

#### F. Activities

The activities will include a program of lectures and guided studies; with the benefits derived therefrom by the participants to be verified by objective tests at the end of the six-weeks course session.

#### G. Inputs

The Government, through the Ministry of Industries, will supply the necessary facilities and ancillary services, such as lecture rooms, material, secretarial help, and transportation, and will assist in any other way that may prove to be necessary. -- UNIDO will provide a minimum of six lecturers, initially for one year.

#### H. Preparation of Work Plan

Fourteen six-weeks session of which two can always be offered parallel and simultaneously will suffice to accommodate the estimated number of participants on the basis of between ten and fifteen participants per session.

The core curriculum should consist of the following: -

Business administration, including an introduction to accounting, marketing, and industrial relations;

Economics, covering a basic understanding of macro-economic inter-relationships, some location theory, and principles of international trade;

An introduction to statistics and perhaps also to systems analysis;

If at all possible, also some leadership training.

All these subjects to be introduced at a level to create a broad understanding; rather than to provide any degree of expertise.

A detailed work plan and syllabus for the training program will be prepared by the team leader of the lecturing staff.

#### I. Preparation of Framework for Effective Participation ...

(The standard paragraph will suffice.)

#### M. K. Institutional Framework

The project will be attached to the Federal Ministry of Industries in Lagos. The Ministry's Division of Industrial Management will act as intermediary and liaison.

#### L. Prior Obligations and Prerequisites

It will be the Government's responsibility to enrol its directoral ap-



pointees and, where necessary, to excuse them from other duties in order to make possible their participation.

H. Future UNDP Assistance

While future UNDP assistance is envisaged (see Sections D and E above), it can be precisely formulated at a later stage only.

---

Industrial-Legal and Administrative Review

II.A. Development Objective

The purpose of this project of an Industrial-Legal and Administrative Review is the enhancement of the effectiveness of the Federal Ministry of Industries in promoting industrial development through legal and administrative streamlining.

B. Immediate Objective

This Review Project will result in the presentation of a number of recommendations to change or to abolish altogether various legal and/or administrative provisions which are considered not to be in Nigeria's best interests as far as industrial development is concerned.

C. Special Considerations

None.

D. Background and Justification

The need for this project was discovered in the course of a consultant's mission DP/MIR/75/067/A/01/37 (May - July, 1980) concerned with managerial problems of the Ministry of Industries which also involved research in the industrial sector. It was found that a need exists for greater entrepreneurial freedom of action and that this need can best be served by weeding out such legal and administrative provisions as do not, or no longer, serve their originally intended purpose.

This weeding out or streamlining of industrial legislation and/or its interpretation and application will not only stimulate development within the industrial sector but will also facilitate the smooth functioning of the Ministry itself.

At this juncture of accelerated industrial development within the Nigerian economy there is a particular need for a new stimulus to the industrial sector and a speed-up of the functioning of the Ministry. Once this stimulus has been applied, the beneficial results can be expected very quickly to spread throughout the entire system.

E. Outputs

The project output will consist of a body of legal, interpretive, and administrative recommendations the volume of which cannot be estimated in advance but the expected benefits from which are indicated above.

F. Activities

The project team of experts' activities will comprise (a) a study of the existing laws and regulations and their application as they affect the country's industrial development, (b) an analysis and evaluation thereof, and (c) the preparation of appropriate recommendations to be submitted to the Ministry.

G. Inputs

The Ministry of Industries, through its Legal Division, will provide office accommodation and equipment as well as secretarial help to a team of UNIDO experts. It will also assist the team by making all information and material that may be required and will provide transportation for the members of the team. -- UNIDO will provide a team of three experts with legal, business, and administrative expertise//  
*for one year.*

H. Preparation of Work Plan

The senior member of the project team will be designated team leader, and it will be part of his duties to prepare a detailed plan for the implementation of the project.

I. Preparation <sup>of</sup> ~~the~~ the Framework for Effective Participation ...

(The standard paragraph will suffice.)

K. Institutional Framework

The project will be attached to the Federal Ministry of Industries in Lagos, with the Ministry's Legal Division acting as liaison and intermediary.

L. Prior Obligations and Prerequisites

None, aside from the Government inputs already listed and the need to assure the enthusiastic co-operation of the Legal Division and its staff. -- There will be no need for any national counterpart personnel, but close co-operation on the part of the Division staff will be necessary both for the duration of the project and for the sake of future performance.

M. Future UNDP Assistance

None is foreseen.

---

