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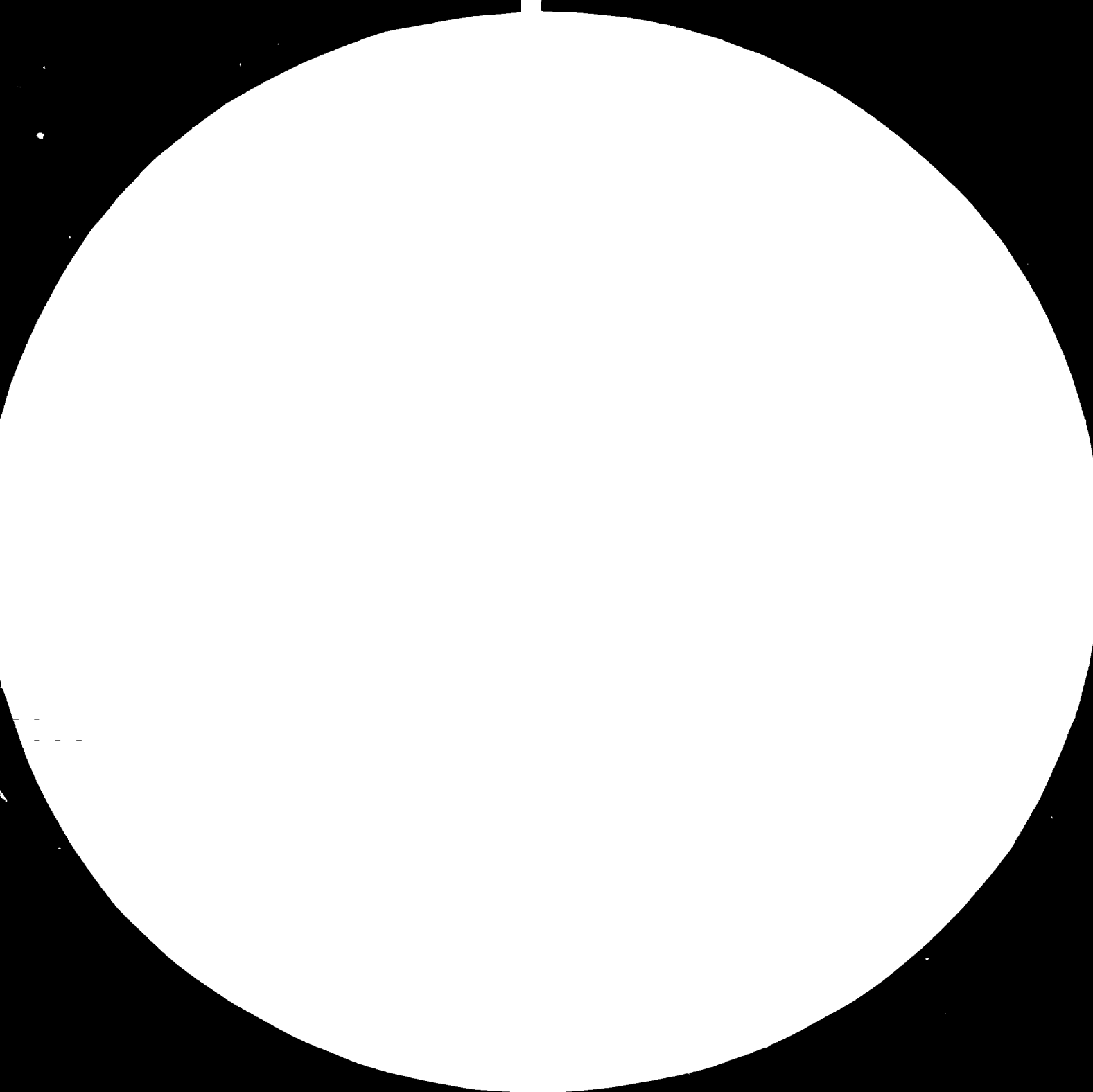
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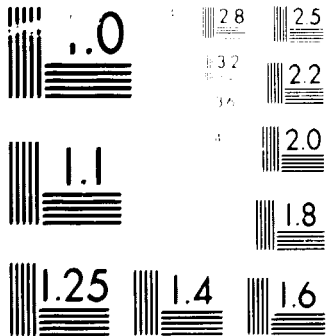
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REPORT ON MISSION TO THE
UNITED REPUBLIC OF TANZANIA

from 8 - 20 November 1980

for

Project Finalising in Relation to Accounts Standardisation
Programme and Output/Productivity Performance Improvement
in the Public Sector Industry

presented by

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Industrial Development Officer

IO/FCTY

December 1980

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INTRODUCTION

1. The Treasury of the United Republic of Tanzania endorsed (please see telex 1658 of 7 May 1980) the Ministry of Industries' request for technical assistance directed at establishing standard accounting systems, and productivity enhancement to improve the performance of state and parastatal industries.
2. The Mission was organized as a consequence of the Government's request (please see telex 1550 of 25 April 1980) to the effect.
3. The Mission's financing was determined 15 September 1980 (please see telex 3514 of 15 September 1980) and the Government indicated November as the agreed-upon arrival date. On 21 October 1980, Programme Allotment Document was requested and issued corresponding to project DP/URT/80/015, "Productivity and Accountancy Public Sector Enterprises - Preparatory Assistance".
4. The Mission's character was defined as of Preparatory Assistance with the express objective of further observing and diagnosing the situation on-the-spot to finalise the draft project documents which has previously been elaborated and sent to the field.
5. It is important to note that part of the projects' conceptual structures had been designed during August-September 1980 on the basis of the observations and recommendations contained in the Quarterly Reports of the Senior Industrial Development Field Adviser covering the First and Second Quarter of 1980 as well as the contents of the Technical Report 1 (URT/73/016) formulated by the International Labor Organization; denominated "Productivity Study in Tanzanian Industry Phase I - Productivity Measurement".

FINDINGS

6. The Tanzanian Government has set up sectoral development corporations under the Ministry of Industries. These corporations are charged with the duty of bringing forward from a conceptual stage to a viable productive entity, numerous industries vital to

the development of the country. Industries are grouped together in sectors, and placed under appropriate development corporations, to concentrate the Government's limited resources and the available expert manpower within the country.

7. A fundamental source of problems that is being met in assessing performance and effectiveness of corporations and affiliates is the need to bolster the systems and procedures lying beneath the performance reports and financial statements submitted and the standard reporting formats for all financial and cost accounts. There is also a continuing shortage of qualified practitioners in accounting, and the existing gap of systems sufficiently understandable to operating staff that demand the provision of guidelines for standards of accounting which will be appropriate to the level of expertise available in the user companies, and which should not need radical overhaul in a progression toward the use of electronic data processing.

8. The National Development Corporation (NDC) approached the Commonwealth Fund for Technical Cooperation, which resulted in the commissioning of an expert who initiated the formulation of a standardization programme of the National Development Corporation's accounting systems. The NDC is now in possession of a standardised method of reporting financial and production results. The results of the study is to be spread outside the National Development Corporation, because of "hiving off" of many of its companies of other parastatal holding corporations such as the National Chemical Industries Corporation, Tanzanian Leather Associated Industries, National Textile Corporation, Tanzanian Karatasi Associated Industries.

9. The Accounts Standardisation Programme provides the "language" and the frame-work into which both the accounting and financial control and reporting systems proposed by the "Accountancy" project DP/URT/80/015 would constitute, for industries, an integrated means to assess performance. The detailed improvement, adjustment of the

programmes, also "standards", and particularly financial, budgetary and cost controls required within each company have to satisfy the unique requirements of that company, and yet retain commonality within a standard reporting system. This implementation, adaptation and operational adjustments have also to be done.

10. Because of the chronic shortage of trained staff almost every company under the umbrella of a parastatal industrial holding corporation has insufficient expertise and stafftime available to do this work. Neither is there available the focal implementation capability to assist in bringing to a reality the establishment of a standard financial and accounting control and performance assessment system for the industrial sector of parastatals.

11. In view of the high priority currently placed on financial and accounting standardisation, responsibility accounting as such, and performance assessment, the project designed to the effect (please see Annex I-"A") can play a leading role in improving the existing financial and accounting systems of corporations, and affiliate enterprises. Broad-scoped as well as highly specific financial and responsibility accounting systems and techniques need to be enhanced, emphasised or introduced as part of the effort to improve and/or consolidate industrial operations. The project is entitled "Implementing Management Accounting Systems in State Industrial Corporations" (DP/URT/80/015).

12. On the other hand, the National Industrial Development Corporation of India (NIDC) carried out 14 Capacity Utilisation Studies, and 21 Product Upgrading Studies, under commission by the National Development Corporation and under the auspices of the Commonwealth Fund for Technical Cooperation. These are a core of technical reports formulated between 1976 and 1979.

13. The writer's appreciation of the operational performance of viewed Tanzanian industries coincides to a significant degree with some of the findings in those reports which were analyzed in their entirety during the Mission.

14. Other observations of a complementary nature are the following:

- a) There is an acute foreign exchange problem affecting supply of raw materials, spares and components including fuel;
- b) Droughts have impaired power generation for the recent months occasioning power failures and cuts which have affected the performance of a large part of the industrial sector;
- c) Paradoxically, in certain industries there is a critically low level of inventories and yet, in others, inventories are high implying considerable financial resources tied up in stocks.
- d) The cross-sectoral visit to the plants (please see Annexes II and III) allowed the writer to verify that practical technical assistance is needed because of equipment and process imbalances, the need for training machine operators to achieve higher levels of machine utilisation, work-flow and layout deficiencies, materials and inventory management difficulties, maintenance and repair subsystems, etc. need bolstering.
- e) The need for incentives is generally recognized however it appears to be a question of management-labor concensus with definitive backing of the Labor Union. Some factories have established them, their scarcity of inventory and machine down time impaired their practicality, and have been abandoned; in other cases, they have been attempted without the concensus mentioned. It was found then to be a highly casuistic non-uniform factor. To a degree, general bonus plans have dominated the incentive scene: it seems that a new phase, at the Corporate level, will suggest sectoral targets and related individual incentives. The general top management level found is good to excellent under prevalent conditions of industrial development.

15. The Third Five Year Development Plan which is underway, and constitutes the first phase of the overall long-range plan, has been recently primed to attend specifically such structural weaknesses of the economy as the sub-optimal efficiency of parastatal undertakings, poor financial performance of enterprises, low labor productivity, necessity to update salary-wage programmes, ameliorate shortage of qualified foremen and supervisors, and seriously improve shortcomings in managerial techniques and experience.

16. A new policy on productivity, incomes, and prices has also been announced recently by the governing party in Tanzania, specifically involving modified views on incentives and economic rent repayment policies, amendments to labor laws for dealing with negligent workers at all levels, and the formation of a National Productivity Council which would bring together all institutions involved in productivity (NIP, JUWATA, SCOPO, the Price Commission and the Permanent Labor Tribunal).

17. Among the various factors influencing output and performance reliability of factories at the present juncture, the acute shortage of foreign exchange and frequent power failures can be considered as most important. The former particularly affects the availability/supply of fuel, raw materials, spare parts and components. However, a further probe into the underlying factors provided a unanimous response that the production/productivity problems of the companies have secularly persisted and became more acute independently of the foreign exchange and natural phenomena.

18. In the writer's view the main thrust required today to underpin the industrialization process is a framework of actions directed at consolidating what has been accomplished without prejudice, obviously, of continued new venture and vertical/horizontal industrial integration processes. It is in this light that broad-scoped as well as highly specific industrial management systems and production engineering techniques need to be enhanced, their application emphasised or introduced to improve and consolidate company production operations; an effort which will be conducive to sustained increases of social product, improvement of social welfare, and self-reliance.

19. At the company level, industrial management know-how and practical industrial engineering expertise structurally underlie to a great degree, output target attainment and productivity improvement in Tanzanian industry. These disciplines and corresponding techniques cannot be acquired exclusively through instructional (i.e. educational) and classroom training; rather, it is convenient to further develop on-the-job training under the assistance and/or direction of experienced works engineering managers.

20. Also, from the institutional standpoint it appears that a functional balance can be attained in the respective roles of, on the one hand, the Tanzania Industrial Studies and Consulting Organisation (TISCO) and, on the other, the National Institute for Productivity, (NIP), in the endeavors related to the projects designed. It is to be expected that increased management consultancy capacity will accrue to TISCO and a considerable work-load is generated for NIP in addition to its already dynamic efforts in the training of middle-level technical echelons and supervisory-level production line cadres, both bulwarks of improved factory operation and therefore corporate performance.

21. In view of the Studies carried out, observations on-the-spot and very specially the newest policies disseminated, it was found that a high priority has been building-up and is currently placed on productivity improvement in the public sector. The second project designed (please see Annex I-B) "Improving Production/Productivity Performance of State and Parastatal Industries" can play a parallel role in the public sector performance improvement efforts.

22. The composition of the original project documents, designed for the attainment of complementary objectives and previewing possible variations in form, content and counterparting, according to Tanzania's Public Administration characteristics, was confirmed and were therefore further adjusted on-the-spot. Particularly to cover the suggested structure of the projects espoused in the conversations held with Messr. B. Mramba, Minister of Industries and F. Nujuni, Executive Secretary. This is best shown by a diagram indicating the domain of action of each project; i.e. Project DP/URT/80/015 and the

complementary Improvement of Production (Productivity) Performance Project DP/URT/80/XXX (please see Annex IV).

CONCLUSIONS AND RECOMMENDATIONS

23. The effort involving the implementation of an accounts standardisation program and design and inauguration of a management accounting system is but one aspect of the technical assistance that can fruitfully be provided for the overall improvement of the performance of the state corporations and parastatal enterprises. The normative measures related to definitions, nomenclature, criteria and reporting procedures and techniques, will not be sufficient. It is but part of the problem. In parallel, a concerted effort must be made to improve and/or design install and generate subsystems and methods oriented toward the systematic improvement of equipment, enhancing its reliability for continuity of operation, and support subsystems in production planning and control, increased quality assurance and inventory logistics : all at the factory shop-floor level. These are the non spectacular yet fundamental means and ways of transferring and consolidating production management expertise which is the core of productivity. It is in this view that the annexed project documents have been designed.

24. Achieving an adapted and working accounting system for reasonably standard financial and cost accounting methods amenable to financial performance assessment at the company and corporate levels constitutes a technical assistance package (Project DP/URT/8L/015) of an essentially finite character. Not so the continuous and systematic production/productivity performance improvement program (Project DP/URT/80/XXX) proposed which should be a sustained effort over the medium term under the thrust for rationalisation of factory operations for productivity enhancement as a basic policy for consolidating the industrial sector.

25. The general state of efforts to improve and rationalise industrial sectoral development in Tanzania is evident in a large number of studies that have been carried out and that now require implementation. Implementation and specific problem-solving of factory operations is a central finding which, in the industrial and production management fields, is here considered a fundamental measure for consolidating the industrial apparatus of Tanzania. The process of consolidation should include deepening of techniques and capital equipment improvements at the factory level to strengthen the production management function for output performance enhancement at the corporate level.

26. In these efforts it is to be recommended that the Tanzania Industrial Studies and Consulting Organisation (TISCO) and the Tanzania National Institute for Productivity (NIP) increasingly define their areas of competence, (possibly also the Institute of Development Management and the Institute of Financial Management), particularly in the framework of their development prospects to assume a coordinated and complemented drive to strengthen and support industrialisation; from the top management echelons downward and from the production line upwards: all for a unified attack on the output/productivity improvement objective.

27. Other recommendations and future projects of an important nature in the view of the writer are the following:

- a) The National Engineering Company (NEC), typical shop-foundry and the TANZA workshop-foundry may constitute the core of a coordinated spare part and component manufacturing facility, i.e. they may be studied to integrate (not necessarily physically) processes and order manufacturing capability; i.e. alternatively to building spare part shops at this stage for every manufacturing subsector (textiles, mechanical, basic iron and steel; or even one central foundry).

Both firms may be diagnosed and put to work more effectively by filling process gaps in both companies (e.g., gear cutters, sand conditioning and also molding equipment, etc.)

- b) In this relation, a smaller project is related to foundry rehabilitation - integration with the point of departure being what is available at present; for example, NEC and the TANZA shop.
- c) Stock levels and lead times- where large - may be abated indirectly but significantly by the diagnosis and study of procedures, office work flow and institutional/legal frameworks related to industrial import permits and licenses.
- d) Labor Union - Corporations - Scopo, etc., concerted efforts for incentive system design/implementation under normal supply situations is suggested as a path for developing group and/or individual wage and salary administration schemes. Possibly further group incentive options may be warranted in the area of non-monetary incentives, and at management levels.
- e) Production upgrading and rationalisation at the UBUNGO, Farm Implements factory (specialisation, disersification, integration options), will be closely related to rural development.
- f) Agroindustry : review, assessment and project identification possibilities in agroindustrial cooperative farming and initially small-scale industrialisation schemes leading to groundwork for future agroindustrial combines in selected areas.

- g) Strengthening of the small and medium scale industry regional development programs and correlative organization/finance/technical assistance extensionism is a technical assistance prospect. Additionally, exploration of TCDC connections with FIRA and FOGAIN systems in Mexico as discussed with and endorsed by Mr. Basil Mramba, Minister of Industries, is a topic to be followed-up.
- h) Assistance to the planning system is to be suggested at the very specific sectoral programming level : metalmechanic, basic metals, inorganic chemicals, wood-working industry, fisheries, etc.). This, in the writer's mind would indicate a multiphased project, transcending the Third Cycle for strengthening of the organisation and functions and implementation of procedures and application of methods. Objective : gap-finding, backward and forward integration of key priority sectors, and their definitive inter-relation with the needed framework of state corporate planning.

Attachments (5)

UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of

THE UNITED REPUBLIC OF TANZANIA

Title : Implementing Management Accounting Systems in State Industrial Corporations

Number : DP/URT/80/015

Duration : Two Years and Four Months

Primary Function : Direct Support

Sector :

(UNDP) Industry

Sub-sector :

(UNDP) 0510 Industrial Development Support Services

Government Implementing Agency :

Ministry of Industries

UN Executing Agency :

UNIDO

Starting Date : January 1982

Government Inputs : 875.000

(Tanzanian Shillings)

UNDP Inputs : 877.100

(US Dollars)

Approved :

On behalf of the Government

Date :

On behalf of the Executing Agency

Date :

On behalf of the United Nations Development Programme

Date :

PART I LEGAL CONTEXT

1. This project Document shall be the instrument referred to as such in Article I, Paragraph I, of the Assistance Agreement between the Government of the United Republic of Tanzania and the United Nations Development Programme, signed by the two parties on 30 May 1978.

2. The Government Implementing Agency shall, for the purposes of the Standard Basic Agreement, refer to the Government Cooperation Agency described in that Agreement.

PART II THE PROJECT

3. This Project Document has been prepared in accordance with the observations and recommendations of the Quarterly Reports of the Senior Industrial Development Field Adviser covering the First and Second Quarters of 1980 as well as the Project Proposal formulated by the above mentioned official; and field discussions and observations carried out during the Preparatory Assistance Mission to the United Republic of Tanzania - November 1980.

PART II - A DEVELOPMENT OBJECTIVES

4. The macro-level objectives of the industrial plan within the Third Five-Year Development Plan are the following :

- 4.1 To give priority to satisfy the basic needs of Tanzanians in food, shelter, clothing and health;
- 4.2 To develop heavy industry, such as iron and steel, also engineering and metallurgical industries;
- 4.3 To increase foreign exchange earnings through increased processing of agricultural produce, and the production of consumer goods for export;

- 4.4 To promote handicraft and small industries using appropriate technologies;
- 4.5 To promote those industries which rely to a greater extent on available raw materials; and, of particular significance to this project;
- 4.6 To increase efficiency and improve capacity utilization in existing industries.

5. The development objective of the project is to rationalize and improve the financial performance of the public industrial sector. Specifically, the sectoral development objective is directed at improving the performance of the Public Industrial Corporations considering their pivotal role in the achievement of the Sectoral planned growth-rate, identifying and removing the obstacles which impede optimizing their operational capabilities.

PART II - B IMMEDIATE OBJECTIVES

- 6. The specific immediate objectives of the project are :
 - 6.1 To implement the results of the Accounts Standardisation Programme carried out by the National Development Corporation (NDC) under the auspices of the Commonwealth Fund for Technical Cooperation (CFTC).
 - 6.2 To develop and inaugurate responsibility accounting sub-systems necessary to enable national accountants in the country's selected corporations and individual enterprises to strengthen their own systems of internal control and decision accounting.
 - 6.3 To train a group of national accountants in factory cost and financial accounting in the framework of Management Accounting Systems.

PART II - C SPECIAL CONSIDERATIONS

7. Special attention will be paid to identify and utilise opportunities to promote technical cooperation among developing countries (TCDC) in view of the project's objectives and to the extent that it is practical and economical to do so.

PART II - D BACKGROUND AND JUSTIFICATION

8. The Tanzanian Government has demonstrated the importance it attaches to industrial development by setting up development corporations under the Ministry of Industries. These corporations are charged with the duty of bringing forward from a conceptual stage to a viable productive entity, numerous industries vital to the development of the country. Industries are grouped together in sectors, and placed under appropriate development corporations, to concentrate the Government's limited resources and the available expert manpower within the country.

9. As examples, the National Development Corporation (NDC) is charged with the development of industries in the engineering and metals sectors. The National Chemical Industries Corporation agglomerates seven plants producing plastics, rubber, and fertilisers and other chemical products. The Tanzania Leather Associated Industries is charged with the development of the more basic industries in hides and skins and related products, while the Tanzania Karatasi Associated Industries is charged with the further development of existing paper industries. The industrial sector is, in effect, one of the major prime movers of the economy.

10. Considering the importance of the industrial parastatals in the economy, they are judged to be instrumental in fulfilling the objectives of the National Twenty Year Plan approved by the governing Party's National Executive Council (NEC), and which consist of increasing GDP from T. Sch. 42,334 millions in 1980/81 to 136,032 in the year 2000 and average income from T. Sch. 2423 to 3845; all figures at current prices.

11. A fundamental source of problems that have been and will be met in assessing performance and effectiveness is the need to bolster the systems and procedures lying beneath the performance reports and financial statements submitted and the standard reporting formats for all financial and cost accounts. The continuing shortage of qualified practitioners in accounting, and the existing gap of systems sufficiently understandable to operating staff have demanded the provision of guidelines for standards of accounting which would be appropriate to the level of expertise available in the user companies, and which would not need radical overhaul in a progression toward the use of electronic data processing as management became more sophisticated.

12. Accordingly, an approach was made to the Commonwealth Fund for Technical Cooperation, which resulted in the commissioning of an expert in accounting to formulate a standardization programme of the National Development Corporation's accounting systems. This consultant commenced his work in 1977. The main objectives of the assignment were to evolve a theoretical set of accounting standards for various industrial sectors, and taking into consideration the particular needs of each company, to produce one comprehensive package of standard systems and procedures. The objective was reasonable standardization, and the manual systems were to be suitable for future computerisation. The study has recently been completed.

13. The National Development Corporation is now in possession of a standardised method of reporting financial and production results. The results of the study is to be spread outside the National Development Corporation, because of "hiving off" of many of its companies to other parastatal holding corporations such as the National Chemical Industries Corporation, Tanzanian Leather Associated Industries, National Textile Corporation, Tanzanian Karatasi Associated Industries.

14. The Accounts Standardisation Programme provides the "language" and the frame-work into which both accounting and financial control and reporting will constitute, for industries, an integrated means to assess performance. The detailed improvement, adjustment of the programmes, also "standards", and particularly financial, budgetary and cost controls required within each company have to satisfy the unique requirements

of that company, and yet retain commonality within a standard reporting system. This implementation, adaptation and operational adjustments have yet to be done.

15. These steps, which form one programme for each holding corporation would normally be done by the corporation's and subsidiary company's professional and technical staff, to retain inter-company standardisation. Because of the chronic shortage of trained staff almost every company under the umbrella of a parastatal industrial holding corporation has insufficient expertise and stafftime available to do this work. Neither is there available the focal implementation capability to assist in bringing to a reality the establishment of a standard financial and accounting control and performance assessment system for the industrial sector of parastatals.

16. In view of the high priority currently placed on financial and accounting standardisation, responsibility accounting as such, and performance assessment, this project can play a leading role in improving the existing systems of corporations, enterprises, and industry in general, and it will have beneficial interlinkage effects with other operational and pipeline UN and specifically UNIDO projects (please see point 36 and Section II-J) all of which merge into the Country Programme for industrial development. Broad-scoped as well as highly specific financial and responsibility accounting systems and techniques need to be enhanced, emphasised or introduced as part of the effort to improve and/or consolidate industrial operations conducive to sustained increases of social product, improvement of social welfare, and self-reliance.

Project concept and functional emphasis

17. It is a well known fact that insufficient financial and accounting management capabilities and/or weak data bases, information-gathering media and procedures, and retrieval-transmittal mechanisms for gauging performance hinder the monitoring of industrial effectiveness and efficiency and issuance of directives for prompt improvement-oriented actions.

In substantial organisations, such as branch or sectoral corporations in command of a number of reasonably distinct enterprises, the harnessing, classification, flow, and analysis of information for comparative assessment of enterprise and consolidated performances, is crucial for goal congruence of decentralized operations. Procedural norms and standard practices underlie the effectiveness of such systems.

18. The baseline studies available regarding the standardisation of the industrial sectoral corporations' accounting and reporting systems will provide key benchmarks and guidelines for accomplishment of this project's objectives, activities and outputs. The project is designed to provide direct support management accounting expertise by means of a team consultative and trouble-shooting approach for four interconnected purposes. Firstly : to fully implement the accounts standardisation-program at the corporate level and define with each company management the asset/income-expense and cost account gaps existent; secondly : to assist in adapting and/or designing and putting into operation effective cost accounting, financial accounting, and where necessary strengthen financial planning and budgetary systems at the company level; thirdly, to adapt, design or incorporate the related production planning and control systems and procedures regarding operating norms, output, targets and procedures on which responsibility accounting heavily relies; fourthly, to integrate the reasonably standardised cost/production information system upward to company and corporate management.

19. The expertise assistance is designed with trouble-shooting capabilities so that activities from shop-floor accounting controls to top management reporting systems can be dealt with by the team of experts. This will allow implementation flexibility according to the nature, complexity and particularities of a holding corporations' activities and the diverse nature of its companies' operations. This will be made possible after defining the tasks and inputs as a consequence of the project teams leader's detailed survey of the corporations and the companies selected under each.

20. The tasks of the consultative team will be centered on two enterprises from each of five corporations, to avoid overextending the projects' scope in a first stage, specially in view of counterpart availability and given institutional structure. The corporations considered are the National Development Corporation (NDC), National Chemical Industries Corporation (NCIC), the Tanzanian Textile Corporation (TEXCO), the Tanzanian Leather Associated Industries (TLAI), and the Tanzanian Karatasi Associated Industries (TKAI). As suggested by the Ministry of Industries, this approach will allow for reasonably broad application of the account and financial management system standardisation programme; further at the company level, the project will take on a semi-pilot project character by selecting at most two companies from each of the holding corporations. The transfer of expertise to counterparts will facilitate replication of implementation techniques and procedures for the remaining companies on extinction of this essentially finite technical assistance project.

21. It is envisaged that the best and multiplied use of technical assistance expertise will be had if implementation of the programme and/or tailoring and streamlining of accounting and financial systems are approached by grouping similar functional and/or professional personnel from various corporations and companies, as the case may be, for intensive and extensive participation and training. This latter component is considered foremost in any technical assistance framework of the type here designed.

22. National counterparts of a professional or trainee qualification - as available - will be designated preferably by each corporation (five or at least three: financial or cost accountants) for fellowships and on-the-job training through direct day-to-day participation in the analysis, design, tailoring and installation of the systems and procedures. On the other hand, it is advisable that the Ministry of Industries and/or the Tanzanian Industrial Studies and Consulting Organization (TISCO) assign two or each one counterparts (professional or trainee: finance or cost accountant) which will work fully incorporated into the consultative team of expatriate experts.

23. It is designed that training will be achieved in three forms: firstly, the on-the-job qualification of five corporate counterparts, each working on two enterprises with additional cross-experiences in

other enterprises, as their time allows; secondly, the staff of each enterprise will participate to a substantial degree in the work carried out even if not as formal counterparts; thirdly, the counterparts from the Ministry of Industries and/or TISCO will also assimilate the training on a learn-as-you-do process during the entire life-cycle of this project. Thus a training scheme is achieved in the domain of the corporation, company and shop-floor areas. The project further includes two fellowships for Ministry and/or TISCO personnel in management accounting, and five for one cost accountant from each of 5 corporations.

24. The project contains a logical sequel to enhancing accounting systems at the corporate/company level, involving a preliminary survey and analysis of the resulting financial/accounting information system and its suitability for pilot-project conversion to electronic data processing (EDP). This culminating phase of the project is envisaged as most applicable to the case of the original parent National Development Corporation and its affiliates. The prefeasibility survey will lead to a firm recommendation on the justification or not of a full fledged feasibility study for initial and staged EDP facilities conversion of existing and resultant company sub-systems and integrated corporate finance/accounting information systems.

25. The relationship between production planning-scheduling and control and cost and responsibility accounting involve management approaches to budgeting and cost control of an informal and formal nature. The former is heavily dependent on human supervision for successful coordination and control, and the latter is more formal, usually dependent on work measurement, as well as supervision. In this relation, the project includes a subcontracting component in which the Tanzanian National Institute of Productivity (NIP) would tender for services related to industrial engineering (production standards, norms, work measurement, planning and control forms/flow design and/or improvement) and functional coordination for data compatibility, procedures design and implementation that would be needed in connection with the project. NIP has consistently developed its capabilities to carry out this type of work, and in the view of its management is fully in a position to handle and provide services regarding these traditional disciplines of industrial engineering.

Supportive selected assistance is suggested through a six man-month expatriate consultant in practical shop-floor industrial engineering production control and cost accounting practices. These measures are reflected in the project budget.

26. During the project technical assistance and counterpart teams are also expected to sustain a periodic review work-shop, to assess the progress made in the corporations and companies assisted to provide follow-up trouble-shooting assistance as required to keep the management improvement momentum going. The basic pattern will be to stage two per annum.

A detailed report will be prepared on each company assignment and will include appreciations of any qualitative and/or quantitative benefits realized. However, the emphasis on implementation, improvement, and system start-up, rather than simply submitting an overview report with recommendations, will constitute the basic feature of the project.

27. The Government Counterpart Agency is the Ministry of Industries, and an option is opened for designation of the Tanzanian Industrial Studies and Consulting Organisation (TISCO), established by Act. No. 2 of 1976 and to which further reference is made in Part II-K of this Document, as the Executing Organism. In such case, the consultative expatriate team would be attached to the Ministry or TISCO as considered convenient by the Ministry.

PART II-E PROJECT OUTPUTS

28. The following outputs will be produced (all by April 1984)

28.1 Working instruction manuals for each company (10) based on the implementation and tailoring of the standard accounting system, including:

- a) Subsystems for forms, flow, reporting in relation to cost accounting, financial accounts and statements, production scheduling and control (for support of accounting subsystems), and normative procedures, terminology and measures of performance.
- b) Identified and documented key cost-centres for responsibility accounting and cost control within each company.

- 28.2 Functional management accounting information systems for 5 corporations at the consolidated corporate level which permit assessment and comparison of company effects on corporate performance and results.
- 28.3 Five technical reports on system/procedures base line conditions and implemented innovations/improvements with respect to: a) Cost accounting and responsibility accounting methods and procedures; b) Financial accounting methods and procedures; c) Management accounting systems and standards.
- 28.4 Proposal and planned programme for system and/or subsystem conversion to EDP : scope, degree, functions and tasks, phasing and approximate cost by stages, including preliminary alternatives to equipment capacity and types.
- 28.5 Over a two and one half year span, seven (graduates) trained financial/cost accountants in management and responsibility accounting; also one in EDP processes.

PART II-F PROJECT ACTIVITIES

29. The Accounts Standardisation Programme is to be carefully extended and taken in greater depth at the company level, taking into account the particularities of concepts, accounts, ad hoc procedures and processes proper of each company's operations. In this view a detailed Workplan will be prepared by the UNIDO Chief Technical Adviser within eight weeks of arrival. It will show in outline his proposed timetable of activities for arriving at the outputs listed above. Upon approval by the Government, the Workplan will be attached to this document as Annex 1, and future Project Progress Reports will be based upon it.

30. As a starting point and overall view of the principal project activities, and a consequence of the Preparatory Assistance Mission to Tanzania undertaken in November 1980, are the following enumerated phases of action :

A. Preproject Stage

Phase I. Disseminate the Accounts Standardisation Program among the Corporations and Preparation of Preliminary Views for discussion with Project Team Leader and Advance Recruitment Procedures at UNIDO Headquarters and Selection of Counterparts. 1st and 2nd Semester 1981

Phase II. In-company and/or fellowship training of at least five and up to seven counterparts five of which will be from Corporations and two from TISCO as well as Selection of the ten (10) companies for project implementation and of the National Director of the Project¹⁾ 2nd Semester 1981 to 1st Quarter 1982

B. Project Stage

Phase III. Team Leader reports to field, assesses Program, discusses same with individual corporations/companies and elaborates specific Workplan to fulfill project objectives and experts team is fielded with individual workplans formulated and counterparts are incorporated into manning scheme as they terminate their training programs. 1st Quarter 1982

Phase IV. Full project implementation is carried out as well as project inputs incorporated leading to coordinated and improved management accounting systems and output materialisation. April 1982 to April 1983

¹⁾ It cannot be emphasized enough that this component is one of the mainstays of this project as a reflection of widespread needs of Tanzanian Industry. A special effort will hopefully be made to make available all the counterparts.

PART II-G INPUTS

31. Government Inputs

	<u>Duration and Date Required</u>
31.1 <u>Professional Staff</u>	
National Project Director	28 m/m Jan. 1982
Counterpart in Financial/Accounting Administration (5)	160 m/m Sept. 1981
Counterpart in Management Accounting (2)	64 m/m Sept. 1981
Counterpart in EDP Systems Analysis	12 m/m Jan. 1983
31.2 <u>Administrative Support Staff</u>	
Secretary	31 m/m Oct. 1981
Typist	28 m/m Jan. 1982
Messenger	28 m/m Jan. 1982
31.3 <u>Buildings and Premises</u>	
The Government will provide office space and basic furnishings for the staff of the project. Space for drafting/files and a small conference room will also be made available on the same premises.	January 1982
31.4 <u>Expendable Equipment</u>	
All the required office supplies will be provided.	January 1982

32. UNDP/UNIDO Inputs

32.1 Professional Staff

Duration and
Dates Required

Chief Technical Advisor/Team Leader
(BL 10/11.01)

Expert in Management Finance and Accounting : 28 m/m from Jan. 1982

Organize, coordinate and supervise all project activities and work of other experts and consultants; lead diagnoses of plant financial and accounting systems and procedures; direct involvement in tailoring/implementation of standards program procedures and reporting subsystems; draw-up and head proposals/execution of performance monitoring system at corporate level; supervise assessment of data processing requirements and management information needs; organize periodic (2/year) work-shops to review and discuss work progress and techniques; define/submit terms of reference of consultants , equipment specifications training, whatever subcontracting and evaluation of their function/results and proposals; formulate progress and terminal reports.

Expert in Industrial Financial Management Systems
(BL 10/11.02)

Analyse the present in-plant methods, procedures and systems related to managerial accounting, and budgetary planning and control; evaluate information base/gathering, reporting system required for review and mechanisms to assess performance; assess the information flow, forms, reports for their 26 m/m from March 1982

effectiveness and design/implement;
participate actively in the adaptation
within each company of criteria, standards
programme and nomenclature already formulat-
ed; participate in the work-shops on methods
employed and results obtained; work in close
contact and assist the MIS expert (11.04) in
his functions; formulate progress and termi-
nal report.

Expert in Industrial Cost Accounting Systems
(BL 10/11.03)

Analyse the present in-plant methods, 26m/m from March 1982
procedures and systems related to cla-
ssification/recording, summarizing,
allocation and reporting costs; assessment
of information available and that required
for appraisal of cost performance and con-
trol; examine the pertinent flow of infor-
mation, forms, reports for their effectiveness
and design/implement means and procedures for
their improvement ; analyse/assess/design or
redesign cost-centres responsibility account-
ing criteria and procedures for proposal/
improvements/application of standard costs when
feasible; participate actively in the
adaptation within each company of criteria,
standards, programmes and nomenclature
already formulated; participate in work-shops
for review of methods employed and results .
obtained; work in close contact and assist
the MIS expert in his functions; formulate
progress and terminal report.

Duration and
Dates Required

Expert in Management Information Systems (MIS)
(BL 10/11.04)

Participate actively in diagnosing of 14 m/m from January 1983 financial accounting/control/and planning, budgetary control, cost-centre accounting/reporting and control information systems requirements and needs at company level; review/improve information collection and flow procedures; examine, improve and implement systems for information, transmittal, presentation, and storage (filing); analyse and devise systems and procedures for financial performance and control/effectiveness reporting at the company and corporate levels and for feedback information response; coordinate, analyse and propose short-term EDP alternatives/solutions to systems/subsystems and prepare/execute demonstrations; participate in work-shops on the methods employed and results obtained; assist in the formulation of a training program for the national trainee in EDP; present a progress and terminal report.

Short Term Consultants (BL 10/11.50-11.52)

To be provided in various specific 18 m/m as needed management technical/skills and other supportive areas, as the need arises during the implementation of the project, for example :

Duration and
Date Required

- a) EDP Systems Analysis and
Capabilities for conversion
(estimate 6 m/m) July 1983

- b) Office Organization and
Procedures (estimate 6 m/m) January 1983

- c) Industrial Engineer on
Production Management
(estimate 6 m/m) January 1983

Associate Expert

Will function as administrative assistant to the Project Team Leader and other experts/consultants and will monitor the budget programme, activity scheduling and other logistic matters related to the coordinated manning and project-related facilities.

Jan./Feb. 1982

Supporting Staff (Locally recruited)
(BL 13.0)

1 Secretary (Bilingual)

24 m/m from March 1982

1 Driver

24 m/m from March 1982

Expert travel costs (BL 15.0)

1982 \$ 3.500

1983 \$ 3.500

Total \$ 7.000

Duration and
Date Required

Other Personnel Costs (BL 16.0)

Preparatory Assistance Mission	1980	\$	6.100
Headquarters and Evaluation Missions	1982	\$	3.500
Costs	1983	\$	3.500
			<u> </u>
Total		\$	<u>13.100</u>

32.2 Subcontracting (BL 20.0)

Production planning/control,
work measurement norms and data/
information subsystems, forms flow
and liaison with cost accounting and
cost-centre responsibility accounting. \$ 40.000

32.3 Training (BL 30.0)

Fellowships extending between three
weeks to nine months with areas of
financial and cost accounting
management and related information
systems including corporate accounting
and controls. \$ 60.000

32.4 Equipment (BL 40.0)

The following is the list of major
equipment to be provided:

2 Automobile	1982	\$	24.000
1 Typewriter (wide carriage)			
2 Typewriter			
2 Desk-model electronic calculator (programmable)			

32.3 Miscellaneous (BL 50.0)

Duration and
Date Required

	1982	\$	4.000
Funds for operation and maintenance	1983	\$	4.000
and for reporting costs plus sundries	1984	\$	7.000
			<hr/>
Total	\$		<u>15.000</u>

PART II - H WORKPLAN

33. A detailed Work Plan for the implementation of the project will be prepared by the leader of the international staff assigned to the project in consultation with the leader of the national staff. This will be done at the start of the project and brought forward periodically. The agreed upon Work Plan will be attached to this Project Document as Annex I and will be considered part of the document. The detailed Workplan will be prepared by the UNIDO Chief Technical Adviser within eight weeks of his arrival.

PART II - I FRAMEWORK FOR EFFECTIVE PARTICIPATION OF NATIONAL AND INTERNATIONAL STAFF IN THE PROJECT

34. The activities necessary to produce the indicated outputs and achieve the project's immediate objective will be carried out jointly by the national and international staff assigned to it. The respective roles of the national and international staff will be determined by their project directors, by mutual discussion and agreement, at the beginning of the project, and set out in a framework for Effective Participation of National and International Staff in the Project. The Framework, which will be attached to the Project Document as an Annex, will be reviewed from time to time. The respective roles of the national and international staff shall be in accordance with the established concept and specific purposes of technical co-operation.

PART II - J DEVELOPMENT SUPPORT COMMUNICATION

35. It is envisaged that the project will take full advantage and draw upon the findings and proposals of the studies formulated under the auspices of the Commonwealth Fund for Technical Cooperation, namely the Accounts Standardization Programme.

36. The support communication implies, should the case be, a functional and information interface between the project and, indeed others that are or have been recently terminated in Tanzania and have a causal relationship among outputs and with respect to institutional objectives. For example:

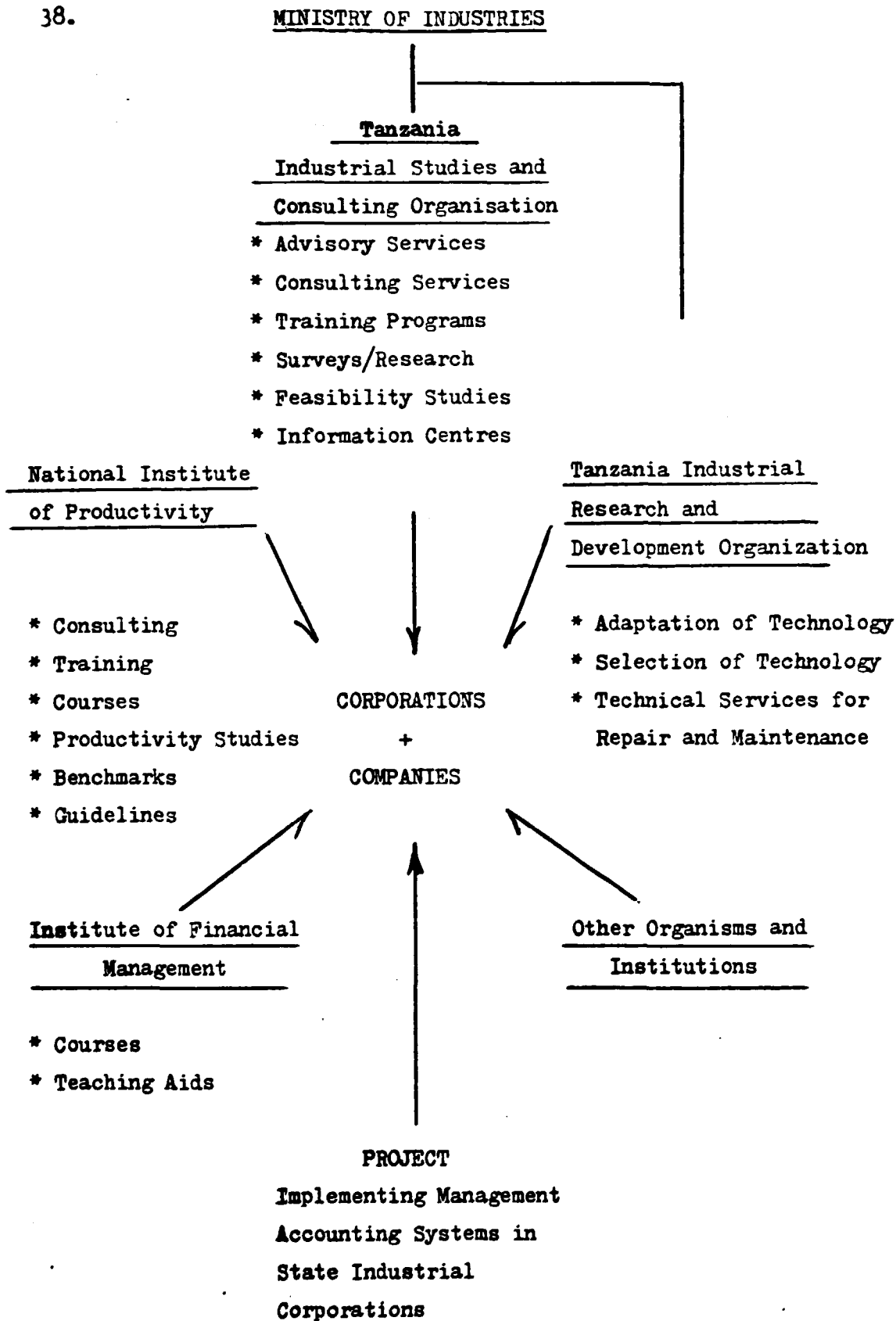
- URT/78/001 Assistance to the Ministry of Industries (UNIDO)
- URT/78/018 Strengthening of the National Textile Corporation (UNIDO)
- URT/78/019 Establishment of Industrial Research Institute (UNIDO)
- URT/78/010 Leather and Leather Products Industries Development.

PART II - K INSTITUTIONAL FRAMEWORK

37. The project will be implemented by the Ministry of Industries by virtue of its functional responsibility and authority in the industrial public administration framework; and if deemed convenient, executed through the Tanzania Industrial Studies and Consulting Organization (TISCO) established to provide direct supervisory consultancy and advisory services in subjects associated with industrial development and management to public institutions and other bodies. TISCO has the added function of encouraging and promoting the expansion and wide use of modern industrial techniques and practices. Placing the project directly under the Ministry of Industries has the advantage that any "hive off" of industries or companies will not disrupt the national establishment of management accounting programmes. Additionally, this project will be centered on some of the newer corporations where it is considered conditions will be amenable to implementation and/or design of accounting systems improvements which can be later adjusted/replicated in other factories and remaining corporations. Annexed is a schematic view of inter-organisational and institutional relationships for coordinated and cooperative project execution.

PART II - K

38.



PART II - L PRIOR OBLIGATIONS AND PREREQUISITES

39. The primary prerequisites are that the minimum counterpart staff, physical facilities, offices, and equipment, and required economic, financial and technological information to carry out the project effectively and efficiently are made available as stated in this document by the time the project implementation commences.

PART II - M FUTURE UNDP ASSISTANCE

40. It is expected that enough progress will have been made related to public corporate management accounting standards and systems through this project that a self-catalytic effect is achieved. As the project objectives are obtained and new or enhanced levels are envisaged to further consolidate this effort, additional inputs might be prudent in order to maintain the attained momentum: possibly through the extension of the project to encompass the full set of public industrial corporations. The nature and magnitude of continuing inputs would be determined in any case during the Tripartite Evaluation Mission which should take place at the latest October/November 1983.

PART III SCHEDULES OF MONITORING EVALUATION AND REPORTS

PART III - A TRIPARTITE MONITORING REVIEWS, TECHNICAL REVIEWS

41. The project will be subject to periodic review in accordance with the policies and procedures established by UNDP for monitoring project and programme implementation. An annual tripartite review (Government, UNDP and UNIDO) will be arranged in the fourth quarter of each year, preferably coinciding with the yearly scheduled visit of a UNIDO Headquarters staff member.

PART III - B EVALUATION

42. The project will be subject to evaluation, in accordance with the policies and procedures established for this purpose by UNDP. The organization, terms of reference and timing of the evaluation will be decided by consultations between the Government, UNDP and UNIDO. The proposed date for the Evaluation Mission is early fourth quarter of 1983.

PART III - C PROGRESS AND TERMINAL REPORTS

43. Individual experts will submit through the team leader concise preliminary survey-reports referring to their assessment of baseline situations as well as a workplan in accordance with respect to their specialization and job description tasks six weeks after their arrival on to the field. Subsequently, the Team leader will submit consolidated bi-annual progress reports. Intermittently, technical reports will be prepared as necessary and submitted to the Government, UNDP and UNIDO. The Team Leader and the National Project Director will prepare a project terminal report two months before the completion of the project in accordance with the format and procedures set down for UNDP-financed projects. The terminal report will be finalized at Tanzania or UNIDO Headquarters and then submitted to UNDP for review and presentation to the Government. The specific time schedule for formulating the reports will be best stipulated in the Work Plan to be drawn-up by the Team Leader.

PART IV BUDGETS

44. The Government Counterpart and the UNIDO contribution budgets are annexed to this document.

PART IV - PROJECT BUDGET COVERING GOVERNMENT COUNTERPART CONTRIBUTION IN KIND

Country : UNITED REPUBLIC OF TANZANIA
 Project number : DP/URT/80/015
 Title : IMPLEMENTATION OF MANAGEMENT ACCOUNTING SYSTEMS IN STATE INDUSTRIAL CORPORATIONS

	Total		1981		1982		1983		1984	
	m/m	Tsh	m/m	Tsh	m/m	Tsh	m/m	Tsh	m/m	Tsh
<u>PROJECT PERSONNEL</u>										
(a) Professional Staff										
(1) Project Director /Cost	28	144.000			12	60.000	12	60.000	4	24.000
(5) Trainees Finance/Accting	160	320.000	20	40.000	60	120.000	60	120.000	20	40.000
(2) Trainees Mgmt. Accting	64	160.000	8	16.000	24	48.000	24	48.000	24	48.000
(1) Trainee EDP Analysis	12	24.000					12	24.000		
(b) Support Personnel										
Secretary	31	72.000	4	7.200	12	21.600	12	21.600	3	21.600
Typist	28	42.000			12	18.000	12	18.000	4	6.000
Messenger	28	28.000			12	12.000	12	12.000	4	4.000
Miscellaneous		85.000		10.000		25.000		25.000		25.000
SUB-TOTAL		875.000		73.200		304.600		328.600		168.600



UNIDO

PROJECT BUDGET/REVISION COVERING UNDP CONTRIBUTION

3. COUNTRY UNITED REPUBLIC OF TANZANIA	4. PROJECT NUMBER AND AMEND. DP/URT/80/015	5. SPECIFIC ACTIVITY 31.4.C
10. PROJECT TITLE IMPLEMENTATION OF MANAGEMENT ACCOUNTING SYSTEMS IN INDUSTRIAL STATE CORPORATIONS		

15. 10.	PROJECT PERSONNEL EXPERTS / Post title	16. TOTAL		17. 1981		18. 1982		19. 1983		20. 1984	
		m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
11	Chief Technical Advisor	2E	176.400			12	75.600	12	75.600	4	25.200
11-01	Financial Management	26	163.800			10	63.000	12	75.600	4	25.200
02	Cost Accounting Systems	26	163.800			10	63.000	12	75.600	4	25.200
03	Management Information Systems	14	88.200					12	75.600	2	12.600
04											
05											
06											
07											
08											
09											
11.500	Consultants	6	37.800			6	37.800				
11.511	" "	6	37.800					6	37.800		
11.512	" "	6	37.800					6	37.800		
13											
14											
11-99	SUBTOTAL:	112	705.600			38	239.400	60	378.000	14	88.200

21. REMARKS

- 1) Buline 16.0 includes \$ 6.100 as per UNDEVPRO telex 4247 to Koenz/Eggough of 1/11/80 and PAD No. 80 2683 of 22/10/80, and which accounted for Preparatory Mission

PROJECT BUDGET/REVISION

2. PAD NUMBER



UNIDO

4. PROJECT NUMBER	16. TOTAL		17. 1981		18. 1982		19. 1983		20. 1984	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
12.01										
13.00	48	18.500			12	7.500	12	8.500	4	2.500
14.00										
15.00		7.000				3.500		3.500		
16.00		13.100				3.500		3.500		
17.01										
17.02										
19.00	140	744.200				253.900		333.500		90.700
20.										
29.00		40.000				20.000		20.000		
30.										
31.00		60.000		40.000		20.000				
32.00										
33.00										
34.00										
35.00										
39.00		60.000		40.000		20.000				
40.										
49.00		24.000				24.000				
50.										
51.00										
52.00										
53.00										
55.00										
59.00		15.000				4.000		4.000		7.000
99.										
		GRAND TOTAL:		40.000		321.900		417.500		97.700

UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of
THE UNITED REPUBLIC OF TANZANIA

Title : Improving Production Performance of State and Parastatal
Industries..

Number : DP/URT/80/...

Duration : Two years and ten months

Primary Function : Direct Support

Sector :

(UNDP) Industry

Sub-sector : (Govt.)

(UNDP) 0510 Industrial Services
and Institutions

Government Implementing Agency : Ministry of Industries
(National Development Corporation)

Un Executive Agency : UNIDO

Starting Date : March 1982

Government Inputs : 768.200
(Tanzanian Shillings)

UNDP Inputs : 1.554.500
(US Dollars)

Approved : _____
On behalf of the Government

Date : _____

On behalf of the Executing
Agency

Date : _____

On behalf to the United
Nations Development
Programme

Date : _____

PART I LEGAL CONTEXT

1. This Project Document shall be the instrument referred to as such in Article I, Paragraph I, of the Assistance Agreement between the Government of the United Republic of Tanzania and the United Nations Development Programme, signed by the two parties on 30 May 1978.

2. The Government Implementing Agency shall, for the purposes of the Standard Basic Agreement, refer to the Government Cooperation Agency described in that Agreement.

PART II THE PROJECT

3. This Project Document has been prepared in accordance with the observations and recommendations contained in Quarterly Reports of the Senior Industrial Development Field Advisor covering the First and Second Quarters of 1980, other UN organisation reports, and field discussions, observations and findings as a resulting of the Preparatory Assistance Mission to the United Republic of Tanzania carried out during November 1980.

PART II-A DEVELOPMENT OBJECTIVES

4. The development objective of the project is to systematically and continuously contribute to rationalize and improve the productive performance of the state and parastatal industrial sector by identifying and removing the obstacles which impede increased utilization of its production capacity, and by strengthening the production management techniques and capabilities of the Public Industrial Corporations considering their pivotal role in the achievement of the sectoral planned growth-rate.

5. In this relation, the macro-level objectives of the current Industrial Plan with the framework of the Third Five-Year Development Plan, are the following :

- 5.1 To give priority to satisfy the basic needs of Tanzanians in food, shelter, clothing and health.
- 5.2 To develop heavy industry, such as iron and steel, also engineering and metallurgical industries.
- 5.3 To increase foreign exchange earnings through increased processing of agricultural produce, and the production of consumer goods for export.
- 5.4 To promote handicraft and small industries using appropriate technologies.
- 5.5 To promote those industries which rely to a greater extent on available raw materials, and,

of particular relevance to this project :
- 5.6 To increase the efficiency and improve capacity utilization in existing industries.

In fact, enhancement of the production performance of companies affiliated to Public Industrial Corporations, will have a strong bearing on the degree to which various of these objectives are achieved.

PART II-B IMMEDIATE OBJECTIVES

6. The overall immediate objective of the project is to specifically assist the National Development Corporation in strengthening its affiliate companies' staff industrial management capabilities. The immediate objectives therefore fall into three areas :

- 6.1 To extend, update and implement the results of the Capacity Utilisation Studies carried out by the National Industrial Development Corporation Ltd. of India (NIDC-India) under the auspices of the Commonwealth Fund for Technical Cooperation (CFTC).

6.2 To establish and/or strengthen the following management functions and techniques at the company functional and shop-floor levels:

- i. plant engineering and maintenance systems
- ii. materials and inventory planning and control procedures
- iii. production planning and control systems
- iv. quality control and inspection methods
- v. machine capacity/utilisation performance rating standards
- vi. plant layout and material handling analysis and improvement

6.3 To bolster and upgrade the capabilities of affiliate company-level technical staffs in the day-to-day practice of solution-oriented industrial engineering techniques in the factory.

PART II-C SPECIAL CONSIDERATIONS

7. Special attention will be paid to identify and utilise opportunities to promote technical cooperation between the United Republic of Tanzania and other developing countries, (TCDC), in view of the project's objectives and to the extent that it is practical and economical to do so.

PART II-D BACKGROUND AND JUSTIFICATION

8. The Tanzanian Government has demonstrated the importance it attaches to industrial development by setting up development corporations under the Ministry of Industries. These corporations are

charged with the duty of bringing forward from a conceptual stage to a viable productive entity, numerous industries vital to the development of the country, Industries are grouped together in sectors, and placed under public holding corporations, to concentrate the Government's limited resources and the available expert manpower within the country.

9. As examples, the National Development Corporation (NDC) is charged with the development of industries in the engineering and metals sectors. The Chemical Industries Corporation (NCIC) includes chemical process industries; the Tanzania Leather Associated Industries is charged with the development of the more basic industries in tanneries, shoe manufacture and related products, while the Tanzania Karatasi Associated Industries is charged with the further development of pulp and paper industries. The industrial sector is, in effect, one of the major prime movers of the economy.

10. Considering the importance of the industrial parastatals in the economy, they are judged to be instrumental in fulfilling the objectives of the National Twenty Year Plan approved by the governing Party's National Executive Council (NEC), and which consist of increasing GDP from T. Sch. 42.334 millions in 1980/81 to 136.032 in the year 2000 and average income from T. Sch. 2423 to 3845; all figures at current prices.

11. From 1967 to 1977, industrial employment and value added grew by an average 9,2 and 20,9 per cent, respectively. However, recent studies have indicated that productivity has fallen by 50,6% in the public sector between 1972 and 1978 while the number of workers increased from 71.576 to 92.769. Between 1967 and 1975 revenue increased by 401,4 per cent while operating costs rose by 484 per cent. Wages have also risen much faster than output in the decade of the seventies. Indeed, a consensus exists within the country that greater efforts can be made to improve the performance of state and parastatal organizations.

12. Furthermore the Tanzanian Investment Bank (TIB) has recently detected that 10 of 54 operating enterprises assisted by that institution, were experiencing major problems related with a shortage of trained and experience manpower at the management, technical and operation levels.

13. An analysis of the constituent companies of the National Development Corporation (NDC) carried out in 1974 determined that basic management and production areas such as utilization of capacity, control of capital investment and current operation's quality control, and purchasing and inventory controls fell far below expectations. As a consequence NDC approached the Commonwealth Fund for Technical Cooperation (London) which led to the commissioning of a consultant group (NIDC) to undertake capacity utilization studies in some 14 companies overall. The consultant group commenced its work in 1976. The main objectives of these studies were to find out the optimum theoretical installed capacity (according to makers' specifications) the capacity as presently attained, and the achievable capacity with the installed equipment. The study was also to determine improvements possible with the addition of minor "balancing equipment", to quantify factors impairing production, and to suggest means of overcoming bottlenecks. It is worthwhile to note that in parallel, 21 Product Upgrading Studies were also undertaken with the basic purpose of improving quality and process reliability and/or product features for export. These studies have now been completed.

14. The Capacity Utilisation and Product Upgrading Studies provided varying amounts of information of and reasons for shortfalls in production. They also demonstrated that regardless of the measures to be taken, the results of present and future production will have to be improved, measured and compared with attainable standards in terms of output and costs - in order to improve performance. The improvements and elaboration of procedures and "standards" by the technical management and at shop-floor level in terms usable for corporate and company management was not part of the study. This work has now to be done.

15. The Third Five Year Development Plan which is underway, and constitutes the first phase of the overall long-range plan, has been recently primed to attend specifically such structural weaknesses of the economy as the sub-optimal efficiency of state and parastatal undertakings, poor financial performance of enterprises, low labor productivity, necessity to update salary-wage programmes, ameliorate shortage of qualified foremen and supervisors, and seriously improve shortcomings in managerial techniques and experience.

16. Additionally, a new policy on incomes, productivity and prices has also been announced recently by the governing party in Tanzania (CCM) specifically involving modified views on incentives and economic rent repayment policies, amendments to labor laws for dealing with negligent workers at all levels, and the formation of a National Productivity Council which would bring together all institutions involved in productivity.

17. In view of the high priority currently placed on output and productivity improvement in the public sector, this project can play a leading role in improving the performance of corporations, individual companies, and the industry in general.

Project Concept and Functional Emphasis

18. Among the various factors influencing output and performance reliability of factories at the present juncture, the acute shortage of foreign exchange and frequent power failures can be considered as most important. The former particularly affects the availability/supply of fuel, raw materials, spareparts and components. However, a further probe into the underlying factors provided a unanimous response that the production/productivity problems of the companies have secularly persisted and others become more acute, independently of the foreign exchange situation and natural phenomena.

19. Among the main thrusts required today to underpin the industrialization process is a framework of actions directed at consolidating what has been accomplished without prejudice, obviously, of continued drive for new venture and vertical-horizontal industrial integration processes. It is in this light that broad-scoped as well as highly specific industrial management systems and production engineering

techniques need to be enhanced, their application emphasised or introduced to improve and consolidate company production operations; an effort which will be conducive to sustained increases of social product, improvement of social welfare, and self-reliance.

20. At the company level, industrial management know-how and practical and applied industrial engineering expertise basically underlie, to a great degree, output target attainment and productivity improvement in Tanzanian industry. Working knowledge of these disciplines and corresponding techniques cannot be acquired exclusively through instructional (i.e. educational) and classroom training; rather, it is imperative to further develop on-the-job training under the assistance and/or direction of experience works engineering managers to achieve the transfer of expertise in these production technology-oriented techniques.

21. The project is essentially designed to provide high quality industrial management trouble-shooting expertise on a team approach, for two inter-connected purposes. Firstly, to apply selected practical and effective production management methods in the form of direct assistance to operating industrial factories which are affiliated under the control of the National Development Corporation (NDC). The technical assistance has been identified of common need in the factories independently of product mix, and have been referred to (please see page 3, PART II - Immediate Objectives, Point 6.2). Secondly, to transfer the expertise to counterparts in each factory among whom the methods and techniques will be disseminated by a cooperative endeavor of nationals and expatriate experts related to practical trouble-shooting analyses, improvements and/or design if need be of methods, forms, procedures, and subsystems at the factory-floor level and very specifically related to the problem areas identified.

22. The production technology and general industrial engineering functions involved can be enhanced very effectively (ofttimes exclusively; fundamentally) if the corresponding methods and instruments are assimilated through intensive factory-floor participation and execution by National staff in applying those techniques and procedures within

a train-as-you-perform process. This on-the-job training of company staffs will be a cornerstone of the training component in the project whereby the technical staffs of each company, in effect, constitute the primary counterparts to the expatriate expert team.

23. As regards classroom training the project has been designed to provide the following in view of the major role that this component should play in the current phase of industrial development in the United Republic of Tanzania : firstly, seven fellowships will be implemented in a one-to-one relation with the problem areas typified in this project (please refer to page 3, PART II - Immediate Objectives, point 6.2); secondly, short training workshops (one week) will be carried out by the expert team staff for specific skill problem-solving applications, review and follow-up with various National factory staffs' participation according to the topics, thus assuring play-back and deepening of concepts and techniques applied; thirdly, specialized management development courses for selected factory technical staff at a functional level (contrasted with technique-oriented content) in subjects such as manufacturing engineering, industrial engineering management, plant engineering management, materials logistics management; some or all of which may be conducted by reputable consulting companies and/or engineering firms under subcontracting arrangements. Whithin this framework, the training and consultancy services available from the Tanzanian National Institute of Productivity (NIP) can be fully used for specific assignments.

24. Corrective consultancy tasks will be carried out jointly by the expert team and the responsible staff of the companies. Considering the variation in output and/or nature of the technological problems that may constitute basic causal factors in machine or process capability/utilisation, the project contemplates the use of specialized consultants on a short-term basis. Application of common or compatible sub-systems, tailoring and implementation will be stressed. Those developed and applied during this project will be incorporated in manuals for reproduction and adaptation in a form suitable for more widespread application in other companies. a brief report will be prepared on each consultancy assignment and will

include estimates of any economic benefits realized. However, the emphasis on improvement, implementation and follow-up, rather than simply on submitting an analytical report with recommendations, will constitute the basic feature of the project.

25. The Government Counterpart Agency is the Ministry of Industries and the National Development Corporation (NDC) is considered as the Executing Organism. The National Development Corporation (NDC) is the original state corporation from which others have been "hived off". NDC is now encharged with the vital metals and engineering branches comprising enterprises such as the National Bicycle Company, the Aluminium Africa Company, National Engineering Company, Steel Rolling Mills, Motor Mart Tanzania, Tanzania Cables, Tanzania Crown Corks, Tanzania Oxygen, National Steel Corporation, Zana-za Kilimo Mbeya Ltd., Souther Paper Mills Company, Mang' ula Mechanical and Machine Tool Company. The pivotal role of the metalmechanic subsector as regards value added and employment whithin the manufacturing sector, makes the Corporation a prime objective for multiplying the effects of a production/productivity improvement program. A wider approach, at this time, oriented to include other corporations, would atomize the efforts of the technical assistance envisaged and overload the financial resources and other input limitations.

26. A factual starting point for the project consists of the Capacity Utilisation (14) and Product Upgrading Studies (21) which have been terminated and are awaiting analysis, adjusting, and implementation and, in some cases, updating, insofar as some of these studies were formulated in 1977.

The NDC companies were subjected to both types of studies and these contain a considerable array of observations and recommendations that can be subjected to updating and short-term implementation. In line with the capacity utilisation studies, a preliminary estimate of equipment requirements to break bottlenecks, balance production lines and initiate an attempt to optimise product-mixes has been

derived from them and amounts to approximately Dls. 500.000 (1977 prices). Under the current foreign exchange limitations, this estimate should be included in the equipment component to the project (Budget Line 40.00 (49.00) for priority purchases.)

PART E PROJECT OUTPUTS

27. Direct support of public sector industries will consume the largest portion of project inputs (expert time). In addition, the project will generate a number of in-depth studies with recommendations for action; management systems for the individual corporations and factories to implement; specific technical reports, and the like, specifically: Target Dates

27.1 Diagnostic surveys (5) of companies identifying the major organizational, functional, and/or operational problems in the referred areas : Sept. 1982

27.2 Technical reports (5) of companies on baseline conditions and type and degree of improvement with respect to specified areas to major or critical operations and processes specifying results and recommendations for tooling and equipment (list) investment requirements, resulting in measurable productivity improvement in those enterprises receiving direct assistance under the project. June 1984

27.3 A completed on-the-job training program for factory technical staffs in the six referred problem areas, including at least (6) review work-shops with experts. December 1984

27.4 Completed management development courses (4) for selected factory staff managers in the fields of : December 1984

- i. Manufacturing Engineering Management
- ii. Industrial Engineering Management
- iii. Plant Engineering Management
- iv. Materials Logistics and Management schemes

- 27.5 Seven graduates of fellowships in each of the problem areas indicated (please see page 3, PART II, Immediate Objectives, point 6.2).
- 27.6 A prototype production planning and control system and procedures including a manual for one manufacturing plant, susceptible to replication. December 1984
- 27.7 A prototype working production management information system with vertical and horizontal communication channels including factory and corporation reports, controls and targets/standards to tie together very particularly the production planning and control, machine capability and performance measurement for timely actions and feedback; susceptible to replication and analysis for conversion to EDP, in the short-term. December 1984

PART II-F PROJECT ACTIVITIES

28. A detailed Workplan will be prepared by the UNIDO Chief Technical Adviser, within eight weeks of his arrival. It will show in outline his proposed timetable of activities for arriving at the outputs listed above. Upon approval by the Government, the Workplan will be attached to this document as Annex I, and future Project Progress Reports will be based upon it.

PART II-C INPUTS

29. Government Inputs

Duration and Date Required

29.1 Professional Staff

- a) Project Director 34 m/m from March 1982
- b) Counterpart in Industrial Engineering 32 m/m from May 1982
- c) Counterpart in Business Administration
or Industrial Management 32 m/m from May 1982
- d) Counterpart in Manufacturing Engineering 32 m/m from May 1982

	<u>Duration and Date Required</u>
29.2 <u>Administrative Support Staff</u>	
Secretary	34 m/m from March 1982
Typist	34 m/m from March 1982
Messenger	34 m/m from March 1982

29.3 Buildings and Premises

The Government will provide space and basic furnishings for the entire staff of the project. Adequate space for drafting/files and a conference room will be made available on the same premises. March 1982

29.4 Non-expendable equipment

Typewriters and other basic office equipment in supplement to that provided from UNDP inputs, will be provided. March 1982

29.5 Expendable equipment

All the required office supplies will be provided. March 1982

30. UNDP/UNIDO Inputs

30.1 Professional Staff

Chief Technical Advisor/Team Leader (BL 10/11.01)

Expert in Factory/Works Management : will organize, coordinate and supervise all project activities and work of other experts and consultants; lead diagnoses for performance assessment activities at corporate level; lead 34 m/m
from
March 1982

diagnoses of management functions and production/productivity problem areas at factory level; define/submit terms of reference of consultants, firms, training programs, equipment specifications, to be recruited, subcontracted, executed, purchased and evaluate their role and use/results; organize, supervise and participate directly in workshop review seminars; formulate progress and terminal reports.

Expert in Manufacturing Engineering Management
(BL 10/11.02)

Perform diagnoses of production facilities activities at the factory level to identify specific critical areas for improvement; examine adequacy of and define limitations of manufacturing process; carry out operations and process analysis; carry out machine and process capability/utilisation studies; up-date and/or adjust output standards as convenient on basis of information available and personal analyses and assessment; determine equipment and machine replacement/improvement programs; participate in two one-week workshops for review of applied techniques; assist in formulation/execution of training programs and in analysis/implementation of improved production management systems; elaborate progress and terminal reports.

32 m/m
from
May 1982

Experts (2) in Industrial Engineering Methods
(BL 10/11.03-04)

Carry out in-depth diagnosis of industrial engineering functions and of production methods at the factory level to identify specific/critical areas for improvement and effect implementation within financial constraints; perform analysis, design and/or improvement of the industrial engineering function at the corporate and factory levels; carry out and proposes analyses, modification of plant layout; carry out work-flow studies providing recommendations in methods/equipment and effect implementation; design, revamp and implement production planning and control systems and procedures; provide solutions to and modify inventory systems; coordinate actions with quality control and plant maintenance experts as well as consultants; participate in two one-week workshops for review of applied techniques on the recurrent topics; assist in formulation/execution of training programs and analysis/implementation of prototype improved and/or new information system; write-up progress and terminal reports.

32 m/m
from
May 1982

Expert Quality Control and Inspection Management
(BL 10/11.05)

Participate in in-depth diagnoses of quality control procedures/activities and of organization at factory level to identify specific/critical areas for improvement; analysis of and proposal/implementation of inspection and control methods of incoming materials and parts, work in process, capability and control systems design; analyse/determine/propose testing and sampling options and procedures, data registry and reporting systems; draw-up instruction/procedures manuals for critical prototype operations; lead two one-week workshops on applied techniques; assist in defining content, scope and depth of training programs and in specifying and selecting related equipment if necessary; coordinate work with other experts and consultants particularly in relation to information flow; draw-up progress and terminal reports.

30 m/m
from
July 1982

Expert in Plant Maintenance Management (BL 10/11.06)

Carry out in-depth diagnoses of plant and maintenance engineering functions, systems and procedures at the plant level for improvements; examine, design or redesign of preventive maintenance systems; review, design or redesign of corrective maintenance methods; examination of and recommendations on operating conditions of basic services

30 m/m
from
July 1982

(electric power, steam supplies, compressed air, cooling facilities, air conditioning, lubrication, etc.); analysis and assessment/organization of group maintenance work; draw-up paperwork systems to administer/control/costing of maintenance work and define criteria for measurement of effectiveness; formulate auxiliary equipment replacement policies and procedures; lead two one-week workshops for review applied and implemented techniques; assist in definition of training programs; coordinate work with the design/tailoring of related information system and work of other experts and consultants; present progress and terminal reports.

Short-Term Experts and Consultants (BL 10/11.40-45)

To be provided in various specific	4 m/m	1982
technical/skills and other supportive	8 m/m	1983
areas, as the need arises during the	8 m/m	1984
implementation of the project (for	<hr/>	
example mechanical/electrical engineer,	20 m/m	
engineering management, information systems		
in production and inventory planning and		
control, material handling, safety engineers,		
etc. For budgetary purposes the assignments		
are shown as being of 4 to 6 m/m duration.		

Duration and
Date Required

Associate Expert - Project Implementation

To assist the Team Leader and other experts in project administrative matters and to provide support to project implementation logistics. March - April 1982

30.2 Supporting Staff (Locally recruited) (BL 13.0)

Bilingual Secretary	34 m/m from March 1982
Steno Typist	32 m/m from May 1982
Drivers (2)	66 m/m from March/May 1982

30.3 Expert travel costs (BL 15.0)

1982	\$	3.500
1983	\$	3.500
1984	\$	3.500
TOTAL	\$	10.500

30.4 Other Personnel Costs (BL 16.0)

Headquarter and Evaluation Missions Costs,	1982	\$	3.500
	1983	\$	3.500
	1984	\$	3.500
	TOTAL	\$	10.500

30.5 Subcontracts (BL 20.0)

Funds are provided to obtain the services of consulting organizations or institutions under subcontracting arrangements for management development programs and other specialized tasks.	1982	\$	15.000
	1983	\$	25.000
	1984	\$	10.000
	TOTAL	\$	50.000

.../18

Duration and
Date Required

30.6 Training (BL 30)

a) Fellowship (BL 31.0)

Fellowship Training will be provided to counterparts of the experts in their fields of respective specializations, each lasting up to six months, for up to seven national staff.

1983	\$	27.000
1984	\$	36.000
<u>TOTAL</u>	<u>\$</u>	<u>63.000</u>

b) Group Training in Specialized Techniques (BL 32.0)

Compact classroom courses in specific techniques for selected factory technical staff, organized by group oriented requirements; implemented through the National Institute for Productivity.

1982	\$	4.000
1983	\$	4.000
1984	\$	4.000
<u>TOTAL</u>	<u>\$</u>	<u>12.000</u>

30.7 Equipment (BL 40.0)

The following is the list of major equipment to be provided :

2 Automobiles	1982	\$	30.000
2 Typewriters (one wide carriage)	1983	\$	5.000
2 Desk-model electronic calculator (programmable)	<u>TOTAL</u>	<u>\$</u>	<u>35.000</u>
1 large capacity photo-copy machine			
1 Mimeograph or comparable duplicator			
1 Drafting Board and instruments			
1 blue-print machine			
1 Electronic stencil cutter			
Miscellaneous office furniture			
Books and journals			

Duration and
Date Required

30.8 Miscellaneous

Funds for the operation and maintenance	1982	\$	5.000
of the vehicles and equipment, and for	1983	\$	5.000
reporting costs, will required.	1984	\$	7.000
			<hr/>
	<u>TOTAL</u>	<u>\$</u>	<u>17.000</u>

PART II-H WORKPLAN

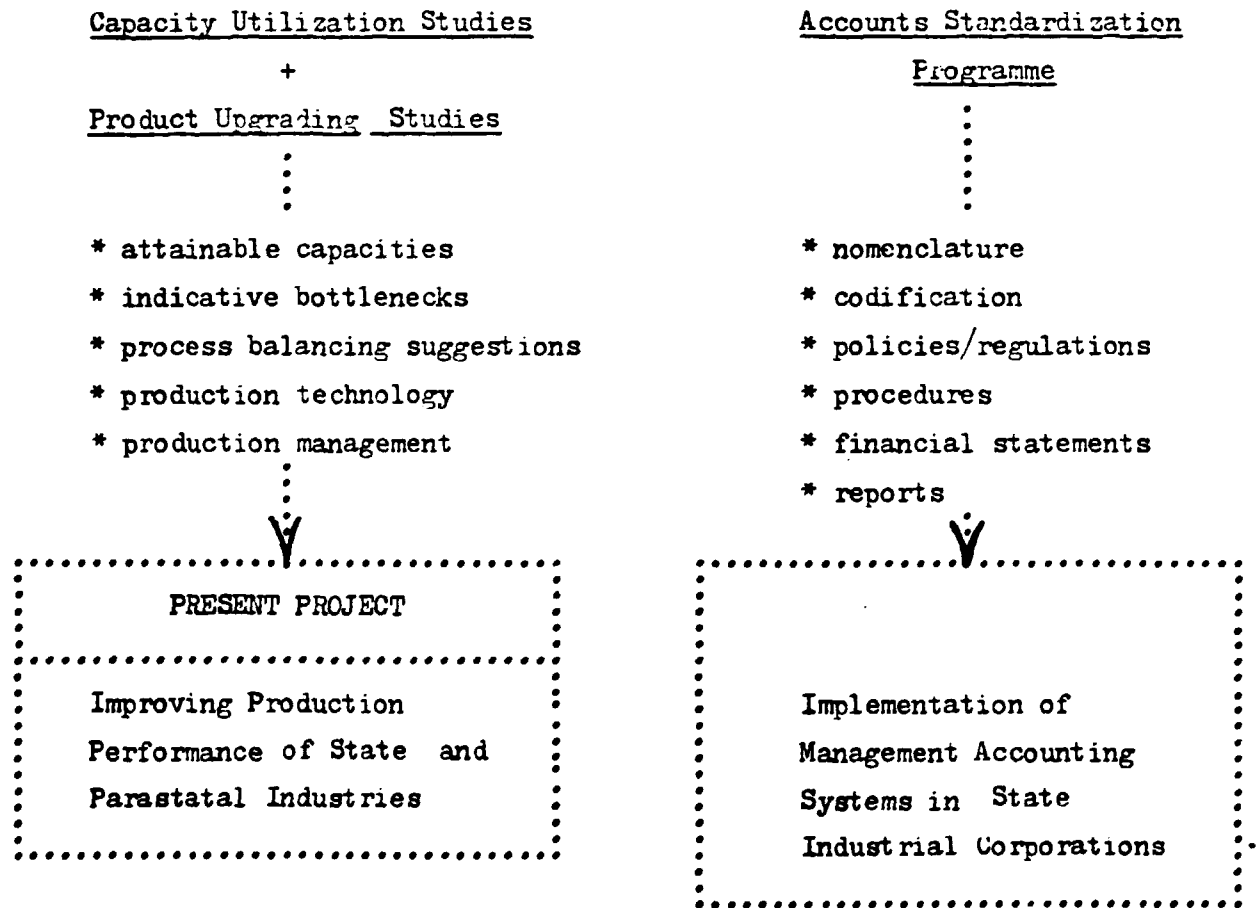
31. A detailed Work Plan for the implementation of the project will be prepared by the leader of the international staff assigned to the project in consultation with the leader of the national staff. This will be done at the start of the project and brought forward periodically. The agreed upon Work Plan will be attached to this Project Document as Annex I and will be considered part of the document. The detailed Workplan will be prepared by the UNIDO Chief Technical Advisor within six weeks of his arrival.

PART II-I FRAMEWORK FOR EFFECTIVE PARTICIPATION OF NATIONAL AND INTERNATIONAL STAFF IN THE PROJECT

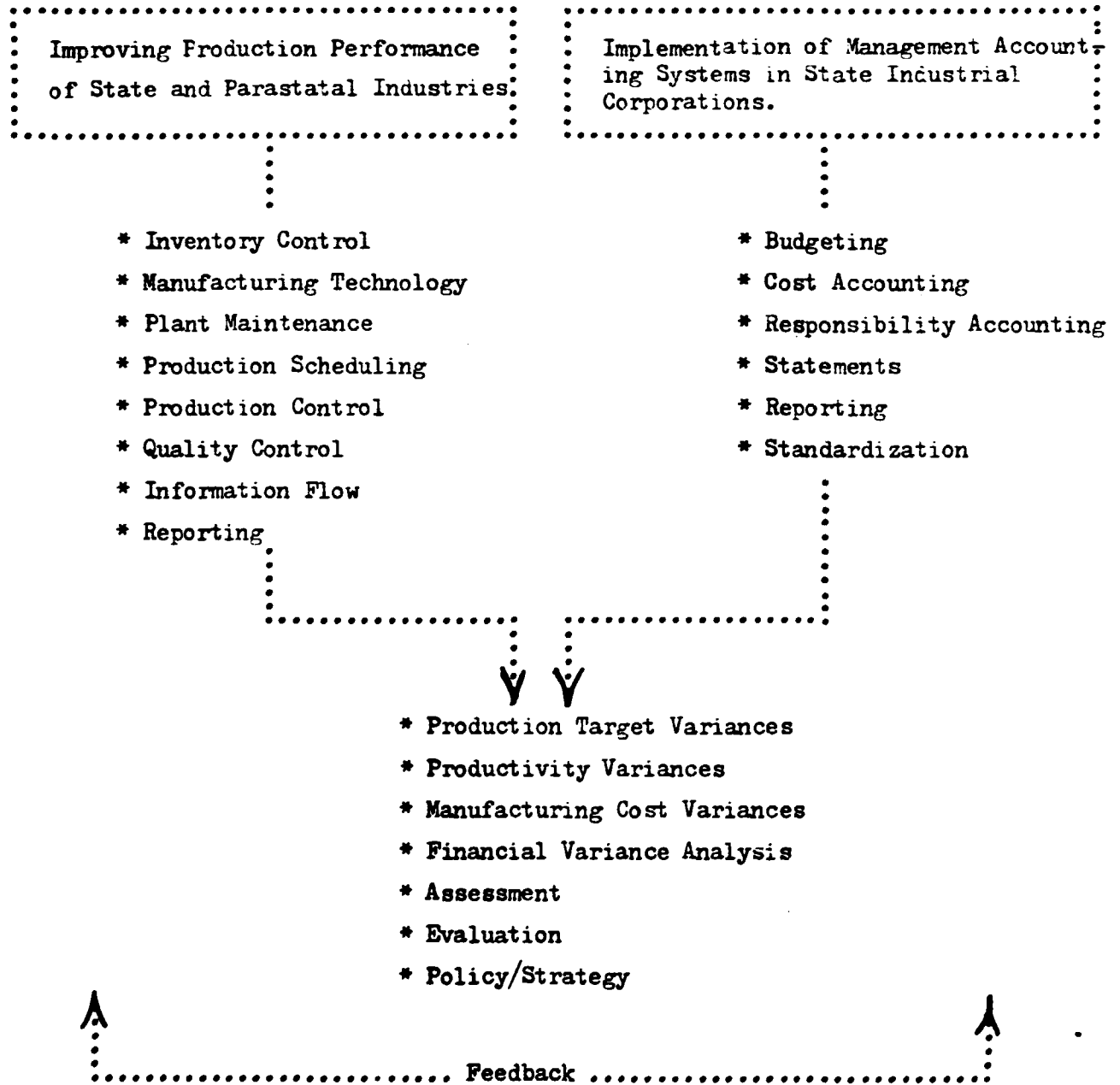
32. The activities necessary to produce the indicated outputs and achieve the project's immediate objective will be carried out jointly by the national and international staff assigned to it. The respective roles of the national and international staff will be determined by their leader, by mutual discussion and agreement, at the beginning of the project, and set out in a framework for Effective Participation of National and International Staff in the Project. The Framework, which will be attached to the Project Document as an Annex, will be reviewed from time to time. The respective roles of the national and international staff shall be in accordance with the established concept and specific purposes of technical co-operation.

PART II-J DEVELOPMENT SUPPORT COMMUNICATION

33. It is envisaged that the project will take full advantage and draw upon the findings and proposals of the studies formulated under the auspices of the Commonwealth Fund for Technical Cooperation, namely the previously mentioned Capacity Utilization Studies, the Product Upgrading Studies, and the Accounts Standardization Programme which were carried out as parallel, independent projects. The first two projects mentioned constitute among other elements, a point of departure for this project. The third Programme mentioned constitutes a point of departure for a sister project which has been designed and designated as "Implementation of Management Accounting Systems in State Industrial Corporations " (DP/URT/30/015) as follows :



34. The projects are carried out independently as they are mutually exclusive; however, the full productivity/production action-oriented diagnoses, assessment and trouble-shooting production system problem-solving and the accounts standardisation exercise involve two projects which can support each other and can interact to provide coordinated results : i.e., the areas may become interrelated as follows :



35. The support communication implies, should the case be, a functional and information interface between the two projects and, at the least others that are or have been recently terminated in Tanzania and have a causal relationship among outputs and with respect to institutional objectives. For example :

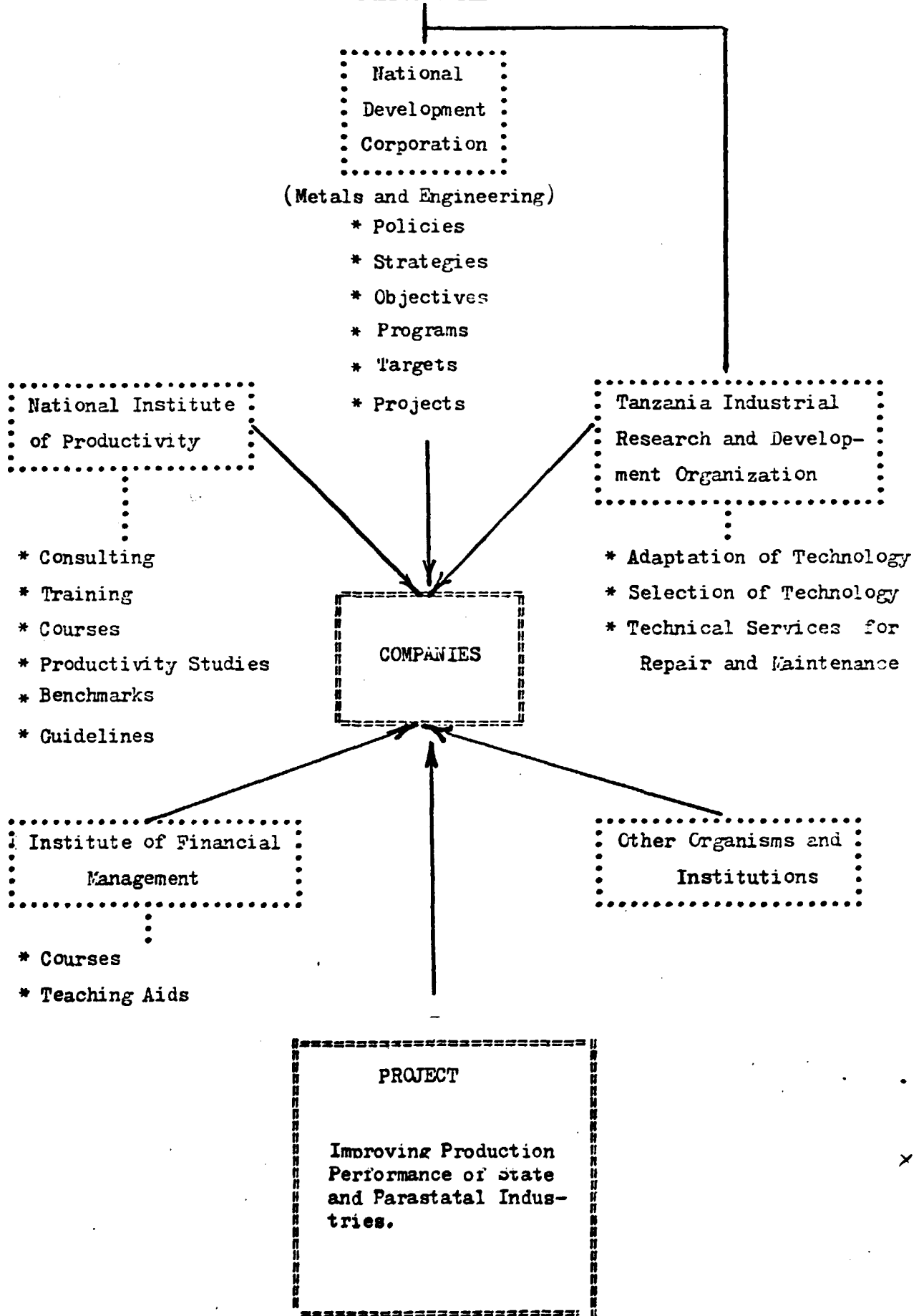
URT/73/016	National Institute for Productivity (ILO)
URT/72/023	National Vocational Training Program (ILO)
URT/77/025	Training of Foremen and Supervisors for NDC (ILO)
URT/78/001	Assistance to the Ministry of Industries (UNIDO)
URT/78/018	Assistance to Textile Industries (UNIDO)
URT/78/019	Establishment of Industrial Research Institute (UNIDO)

PART II-K INSTITUTIONAL FRAMEWORK

36. The project will be implemented by the Ministry of Industries by virtue of its functional responsibility and authority in the public administration framework; and through the National Development Corporation (NDC) as executing organ, which is the policy-executing and direct supervisory entity vertebrating the metal and engineering branch companies (15). The accompanying diagram portrays some of the expected institutional relationships (page 23). Placing the project directly under the Ministry of Industries has the advantage that any "hive off" of industries or companies by the NDC will not disrupt the national establishment of the production management improvement programme. Additionally, this project will primarily be centered in the companies (5) where it is considered conditions will be more amenable to design and implementation of production systems improvements which can be later adjusted/replicated in other factories.

37.

MINISTRY OF INDUSTRIES



PART II-L PRIOR OBLIGATIONS AND PREREQUISITES

38. The primary prerequisites are that the required counterpart staff, physical facilities, offices, and equipment, and required economic financial and technological information to carry out the project effectively and efficiently are made available as stated in this document by the time the project implementation commences.

PART II-M FUTURE UNDP ASSISTANCE

39. It would be unwise to assume, that by the time the project terminates, all the production management problems of the companies encompassed by NDC will be resolved. It is hoped, however, that enough progress will be made so that a self-catalytic effect becomes noticeable. As the project objectives are achieved and new or enhanced levels are envisaged to further consolidate this effort, additional inputs might be prudent in order to maintain the attained momentum : possibly through the provision of some essential additional expert inputs. The nature and magnitude of any continuing inputs would be determined in any case during the last Tripartite Evaluation Mission scheduled for the second quarter of 1984. This project should be viewed in any case, as the first phase of continued efforts to rationalise and improve - to consolidate - existing industry in the United Republic of Tanzania.

40. This project should be in fact the first phase of a sequenced and systematic approach to rationalising and improving the production management performance of the state and parastatal industries in the United Republic of Tanzania. The strategic importance and significance of these industries in the Tanzanian scenario is of a fundamental nature to strengthen one of the essential productive sectors of the economy, indeed the backbone itself of economic development in these and the near future years. The project attempts to harness and harmonize inter-institutional structures and functions for a coordinated attack on lower than possible output and decreasing.

productivity. The objectives of the project should transcend the two years and ten months envisaged for this project; however extended, expatriate assistance in the area of expertise here proposed is visualized as a decreasing function over a scenario of six to ten years to the point of extinguishment; insofar as national capability and self-reliance will have concomitantly increased in that span to continue the task with only that essential specialised expatriate expertise necessary.

PART III SCHEDULES OF MONITORING EVALUATION AND REPORTS

PART III-A TRIPARTITE MONITORING REVIEWS, TECHNICAL REVIEWS

41. The project will be subject to periodic review in accordance with the policies and procedures established by UNDP for monitoring project and programme implementation. An annual tripartite review (Government, UNIDO and UNDP) will be arranged in the fourth quarter of each year, preferably coinciding with the yearly scheduled visit of a UNIDO Headquarters staff member.

PART III-B EVALUATION

42. The project will be subject to evaluation, in accordance with the policies and procedures established for this purpose by UNDP. The organization, terms of reference and timing of the evaluation will be decided by consultations between the Government, UNDP and UNIDO. The proposed date for the Evaluation Mission is second quarter of 1984.

PART III-C EVALUATION

43. Individual experts and consultants will submit through the team leader preliminary reports referring to their assessment of baseline situations with respect to their specialization and job description tasks six weeks after their arrival in the field. Subsequently, the team leader will submit consolidated bi-annual progress

reports. Intermittently, technical reports will be prepared as necessary and submitted to the Government, UNDP and UNIDO. The Team Leader and the counterpart Executive Project Director will prepare a project terminal report two months before the completion of the project in accordance with the format and procedures set down for UNDP-financed projects. The terminal report will be finalized at UNIDO Headquarters and then submitted to UNDP for review and presentation to the Government. The specific time schedule for formulating the reports will be stipulated in the Work Plan to be drawn-up by the Team Leader.

PART IV BUDGETS

44. The Government Counterpart and the UNIDO contribution budgets are annexed to this document.

Country : United Republic of Tanzania
 Project Number : DP/URT/80/
 Title : Improving Production Performance of State and Parastatal Industries

	TOTAL		1982		1983		1984	
	m/m	T. Sch.	m/m	T. Sch.	m/m	T.Sch.	m/m	T.Sch.
<u>PROJECT PERSONNEL</u>								
a) Professional Staff								
(1) Project Director	34	182.000	10	50.000	12	60.000	12	72.000
(2) Trainee Ind. Engrg.	64	172.000	16	40.000	24	60.000	24	72.000
(1) Trainee Ind. Mgmt.	32	86.000	8	20.000	12	30.000	12	36.000
(1) Trainee in Mfring Engrg.	32	86.000	8	20.000	12	30.000	12	36.000
b) Support Personnel								
Secretary	34	80.600	10	23.000	12	27.600	12	30.000
Typist	34	54.600	10	15.000	12	18.000	12	21.600
Messenger	34	37.000	10	10.000	12	12.000	12	15.000
Miscellaneous		70.000		10.000		30.000		30.000
TOTAL		768.200		188.000		267.000		312.600



UNIDO

PROJECT BUDGET/REVISION

3. COUNTRY United Republic of Tanzania	4. PROJECT NUMBER AND AMEND DP/URT/80/...	5. SPECIFIC ACTIVITY 31.4.B
10. PROJECT TITLE Improving Production Performance of State and Parastatal Industries		

15. 10. PROJECT PERSONNEL	16. TOTAL		17. 1982		18. 1983		19. 1984		20.	
	11 EXPERTS / Post title	m/m \$	m/m \$	m/m \$	m/m \$	m/m \$	m/m \$	m/m \$	m/m	
11-01 Project Manager (Works Engineer)	34	214.200	10	63.000	12	75.600	12	75.600		
02 Manufacturing Engineer	32	201.600	8	50.400	12	75.600	12	75.600		
03 Industrial Engineer	32	201.600	8	50.400	12	75.600	12	75.600		
04 Industrial Engineer	32	201.600	8	50.400	12	75.600	12	75.600		
05 Quality Control Engineer	30	189.000	6	37.800	12	75.600	12	75.600		
06 Plant Maintenance Engineer	30	189.000	6	37.800	12	75.600	12	75.600		
07										
08										
09										
11.50 Consultant	4	25.200	4	25.200						
11.51/52	8	50.400			8	50.400				
11.52/53	8	50.400					8	50.400		
13										
14										
11-99 SUBTOTAL:		1.323.000		315.000		504.000		504.000		

21. REMARKS Production/productivity improvement will entail equipment expenditures of approxi. Dls 500.000 which it is recommended be added to this budget (BULINE 40.00/49.00) for increased effectiveness of overall project objectives.



UNIDO

PROJECT BUDGET/REVISION

PAGE

2. PAD NUMBER

4. PROJECT NUMBER	16. TOTAL		17. 1982		18. 1983		19. 1984		20.	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
12.01										
13.00										
	132	33.500		8.800		12.350		12.350		
14.00										
15.00		10.500		3.500		3.500		3.500		
16.00		10.500		3.500		3.500		3.500		
17.01										
17.02										
19.00	342	1.377.500		330.800		523.350		523.350		
20.										
29.00		50.000		10.000		20.000		20.000		
30.										
31.00		(65.000)				(27.000)		(36.000)		
32.00		(12.000)		(4.000)		(4.000)		(4.000)		
33.00										
34.00										
35.00										
39.00		15.000		4.000		31.000		40.000		
40.										
49.00		35.000		30.000		5.000				
50.										
51.00										
52.00										
53.00										
55.00										
59.00		17.000		5.000		5.000		7.000		
99.										
		1.554.500		319.800		584.350		590.350		

DAY	DATE	APPOINTMENTS
SUNDAY	9 November 1980	Mr. S. Henein, SIDFA Mr. J. Mrema (counterpart : Ministry of Industries)
MONDAY	10 November 1980	Mr. P. Reynolds, Deputy Resident Representative Ministry of Industries, Dept. of Invest. and Implement. National Development Corporation National Chemical Industries Corporation
TUESDAY	11 November 1980	S C O P O C.C.M. Committee Supervising Public Corporations
WEDNESDAY	12 November 1980	National Institute of Productivity Tanzania Audit Corporation Ministry of Planning National Development Corporation
THURSDAY	13 November 1980	Courtesy call on Principal Secretary Ministry of Industries National Textile Corporation Tanzania Wood Industry Corporation (P) Sugurutex Ltd. (integrated textile mill)
FRIDAY	14 November 1980	Courtesy call on Minister of Industries National Development Corporation (P) Ubungu Garment Mill Ltd. (250 mach.) National Chemical Industries Corporation Mr. S. Henein, SIDFA National Chemical Industries Corporation
SATURDAY	15 November 1980	Working Session with Principal Secretary Small Industries Development Meeting with UNIDO's Experts (all ongoing projects) Mr. R. Ryder, Team Leader, URT/78/018
MONDAY	17 November 1980	Mr. B. Svensson, Team Leader URT/78/010 Tanzania Industrial Studies and Consultancy Organization Tanzania Leather Associated Industries (P) Tanzania Shoe Company Ltd. (8M pair/year) Mr. T. Stalhanske, Deputy, ILO Office
TUESDAY	18 November 1980	(P) Tanzania Karatasi Associated Industries (paper, printing) (P) Tanganyika - Tegry (Plastics) Ltd. (Plastics producer) Mr. P. Reynolds (debriefing), Deputy Res. Rep. a.i. Mr. J. Parker, Team Leader URT/78/018
WEDNESDAY	19 November 1980	(P) National Engineering Company (foundry-machine shop) (P) Metal Box Tanzania Ltd. (metalworking-printing. Cans) Mr. Januarius Mrema (debriefing), Counterpart Mr. S. Henein (debriefing), SIDFA

(P): factory/plant

Persons Interviewed

B. Mramba	Minister of Industries
F.S. Mujuni	Principal Secretary - Ministry of Industries
T. Nyachia	Acting Director - Investment and Implementation Ministry of Industries
J. Mrema	Industrial Officer - Ministry of Industries (Counterpart)
J.C. Rubambe	Director Planning and Finance National Development Corporation (NDC)
V. Moshi	Economist - NDC
M.P.M. Ole Paresoi	General Manager National Chemical Industries Corporation
W.J.N. Mwabulambo	Executive Secretary Presidential Standing Committee on Parastatal Organisations (SCOPO)
S.A. Kibong	Deputy Minister of Defense, previously Head Department of Economic Affairs CCM (Revolutionary Party).
N. Mwambene	Managing Director National Institute of Productivity (NIP)
L. Mlambo	Senior Management Analyst - NIP
O. Sultani	Senior Management Analyst - NIP
S.H. Nkya	Managing Director National Textile Corporation (TEXCO)
I.H. Marandu	Director of Planning and Finance - TEXCO
J.N. Mushi	General Manager Tanzania Wood Industry Corporation (TWICO)
E.L. Kamuzora	Director General - Tanzania Industrial Studies and Consulting Organisation (TISCO)
V.P. Mohan	Senior Consultant - TISCO - Forest Industries
B.O. Edvall	Senior Consultant - TISCO - Civil Engineering
K.D. Sikka	Senior Consultant - TISCO - Mechanical Engineering
M. Singh	Senior Consultant - TISCO - Chemical Engineering

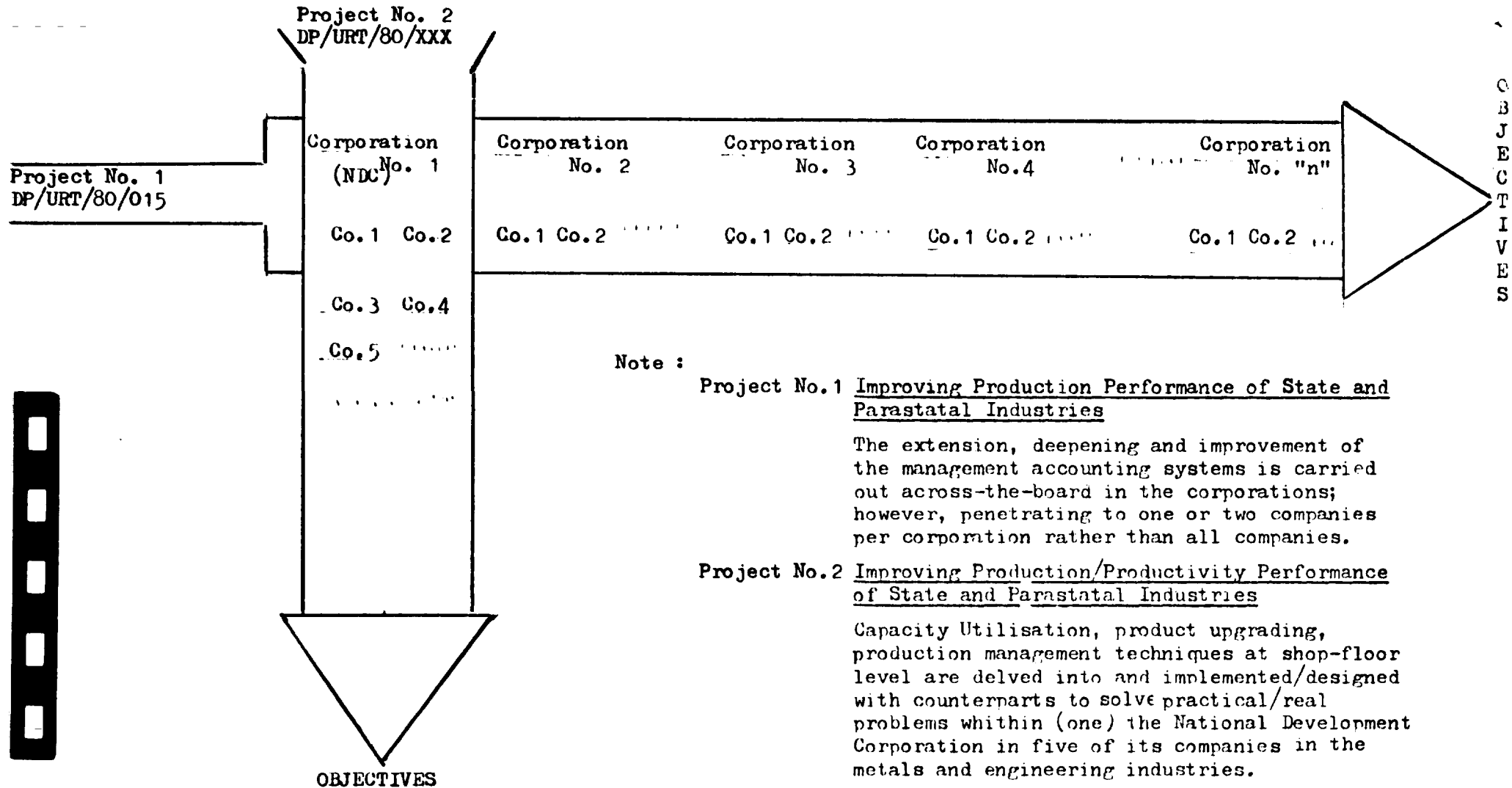
D.K. Mollé	General Manager - Tanzania Karatasi Associated Industries
A.O. Ngamiló	General Manager - Tanzania Leather Associated Industries
F. Harrison	General Manager (Plant), Sugurutex Mills
R.A. Mshana	General Manager - UBUNGO Garments Ltd.
J. Finch	Production Manager - UBUNGO Garments Ltd.
T. Imtiaz Ali	Factory Manager, Tanzania Shoe Co. Ltd. (shoes, soles)
R.E. Deil	General Manager - Engineering Company (NECO) (Metalmechanic/Foundry Shop).
L.C. Makoni	General Manager - Tanganyika Tegry Ltd. Plastics (prod. PVC pipe, Polythene bags, sheeting, containers).
S.V. Rao	Director and General Manager, Metal Box Tanzania Ltd.
T. Stalhandske	Deputy Director Office of the International Labor Organisation
A.D. Austen	Director, Construction Management Training, International Labor Organization
D.N.M. N'g'oshá	National Institute of Productivity

United Nations Staff

Mr. P.S. Reynolds	OIC, Deputy Resident Representative a.i.
Mr. S. Henein	SIDFA
Messrs. Handa,
Narayanan
Parker
Ryder
Scott UNIDO experts for ongoing projects
Stone
Subramanian
Svensson
Turkowski

PROJECT'S DOMAIN OF ACTION

ANNEX IV



NDC : National Development Corporation

Co. : Company

