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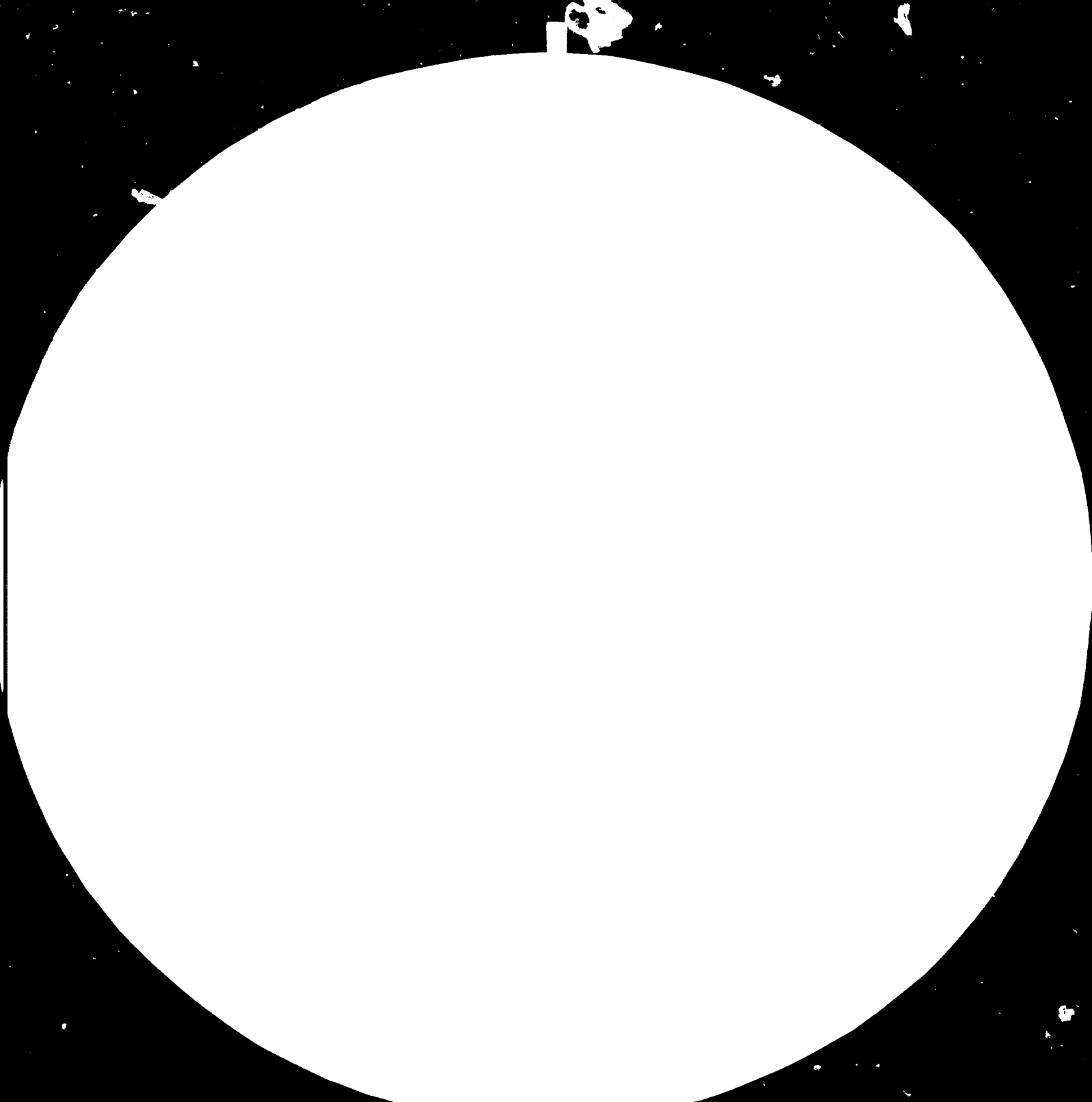
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DEVELOPMENT OF INDUSTRIAL MANAGEMENT

CAPABILITIES AND CONSULTANCY

SERVICES IN THE AFRICAN REGION

Report Prepared by Consultant

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435

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SUMMARY

Development of Industrial Management Capabilities and Consultancy Services in the African Region

PART I

Development of Industrial Management and Energy Management Capabilities in the Countries of "The Southern African Development Co-ordination Conference"(SADCC)

1. To implement the SADCC Industrial Development Programme comprising of more than 33 projects in about 11 sub-sectors, emphasizing on increased production with priorities on expansion and establishment of capacities, the development of management capabilities and consultancy services has to be inducted into the programme right along with the programme implementation to reduce external dependence.

A project for technical assistance is proposed to develop these capabilities and services in the SADCC region, with activity in three steps involving the preparatory, project and operational stages directly related to the implementation of the projects, among the SADCC co-ordinating Unit located in Tanzania, the member government agencies, the industrial enterprises resulting from the projects and the Eastern and Southern African Management Institute at Arusha, through ECDC/TCDC and institutional twinning arrangements.

2. To implement the SADCC Energy Conservation and Security Programme, within the policy framework for attaining self-sufficiency in energy, emphasizing on rational and integrated utilization of the various energy resources in the SADCC region, the development of energy management capabilities should be initiated from the start of the programme and along the identification and implementation of the regional energy projects, to reduce external dependence and develop local cadres.

A project for technical assistance is proposed to develop these capabilities and the necessary services in the SADCC region; laying emphasis on an integrated approach of securing effective co-ordination, organization and management of the vast amount of work that is to be undertaken by the Technical Unit in Angola and the proposed Energy Commission in the elaboration of a Master Plan for energy development in the region, for identification of energy projects and their implementation; development of management and operative personnel through the Regional Petroleum Development School, to implement the projects; and establishing consultancy services through the Eastern and Southern African Management Institute in Tanzania, to promote energy conservation. The activities of the project are directly related to the energy programme activity involving the above key agencies and are essentially oriented to the development of energy management capabilities and services in the region through ECDC/TCDC and institutional twinning arrangements.

PART II

Development of Management Capabilities and Management and Consultancy Services in the African Region

3. To implement the programme of the Industrial Development Decade for Africa, within the framework of the Lagos Plan of Action, based on the twin principles of self-reliant and self-sustained development through collective industrialization, there is an urgent need to generate and develop indigenous industrial management capabilities and consultancy services at the national, sub-regional and regional levels.

A project for technical assistance is proposed to develop these capabilities and services with emphasis on the establishment of organized and institutionalized management services that would fulfil the need to develop the capabilities and sustain them through consultancy service. The planned Regional Centre for Management and Consultancy Services, considered as a high priority action in regional co-operation, is being proposed by the project to be established as a network of units situated at the MULPOC

(Multinational Programming and Operational Centres) locations with a central co-ordinating unit located at the ECA Headquarters. The project proposes an institutional network involving all the major institutions for the development of management capabilities and services at the national, sub-regional and regional levels; with a programme network aimed at developing such capabilities and services covering activity for strengthening governmental machinery and development of cadres in the agencies responsible for industrial development; selected industrial enterprises, the Decade projects, and institutes; and for the generation of personnel for the development of capabilities and provision of support services.

The project aims at supporting the co-ordinating element in the establishment of the "network" systems to develop regional co-operation. The proposal comprises of a preparatory phase to identify the need and formulate the framework for the co-operation and an operational phase to establish the networks and set them in motion.

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PART I

DEVELOPMENT OF INDUSTRIAL MANAGEMENT
AND ENERGY MANAGEMENT CAPABILITIES
IN THE COUNTRIES OF
"THE SOUTHERN AFRICAN DEVELOPMENT
CO-ORDINATION CONFERENCE"

INTRODUCTION

The Southern African Development Co-ordination Conference is an economic co-operation grouping of nine Southern African states, namely Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. Individually each of these member states is relatively small in terms of population (from under 1 million to 20 million) and of production (with a Gross Domestic Product ranging from under US\$ 500 million to about US\$ 4,000 million). None of the countries has a complete array of basic raw materials, of agricultural production possibilities or the markets for economic scale of production of all basic manufactured goods. Together, however, population (over 50 million), production (over US\$ 15,000 million) and range of resources and productive potential are significant. The potential for the development of the SADCC members acting together in spheres of basic industry, agricultural research, energy development, food security, mining and manpower development, is great as compared to what is possible through isolated national efforts. The SADCC has emerged from twenty-five years of evolution of regional co-operation and co-ordination. The SADCC perceives itself as a part of the process of African, Third World and global economic co-operation. In the context of the African regional co-operation, the SADCC is seen as a building block in the movement towards the continental economic co-operation envisaged in the OAU's Lagos Plan of Action. The SADCC at their first summit of Heads of State and Government in Lusaka 1980 set out its basic goals and in a short period of two and a half years after that, held a series of annual summits, ministers meetings and annual conferences formulating an action plan, sectoral programmes and mobilizing resources for their implementation. The SADCC programmes for the Industrial Development and the Energy Conservation and Security have been reviewed. The programme activities in these two programmes have been appraised and an analysis of the management and consultancy capabilities required for their implementation has been made. Based on the above, a programme has been formulated for the development of these capabilities, strengthening interlinkages between national and sub-regional institutions and projects particularly the Eastern and Southern Management Institute at Arusha, Tanzania and The Regional Petroleum Development Centre at N'Gunza in Angola. Two project proposals are prepared for technical assistance.

CHAPTER 1

REVIEW OF CO-OPERATION ARRANGEMENTS

1. The Basic Goals of SADCC

The establishment of SADCC began with the decision in May 1979 of the foreign ministers of the nine member states to endorse a conference of their states' economic ministers with invited guests to plan the establishment of a regional economic co-ordination grouping. The first SADCC, in Arusha during July 1979, agreed on the principles and the member states created the organization at their first summit of Heads of State and Government held in Lusaka in April 1980. The Summit set out SADCC's basic goals, programme and structure in "Southern Africa: Toward Economic Liberation".^{1/} In its basic statement of aims the following four goals are set out:

- i) reduction of external dependence, especially dependence on the Republic of South Africa;
- ii) creation of operational and equitable regional integration;
- iii) mobilization of domestic and regional resources to carry out national, interstate and regional policies to reduce dependence and build genuine regional co-ordination;
- iv) joint action to secure international understanding for the SADCC strategy.

In the short period of two and a half years since Lusaka, SADCC held annual summits (Harare 1981, Gaborone 1982), mid-year Council of Ministers Meetings (Harare 1980, Mbabane 1981, Luanda 1982) and Annual Conferences with invited members of the international community (Maputo 1980, Blantyre 1981 and the planned

^{1/} "Southern Africa: Toward Economic Liberation", Editor A.J. Nsekela, Rex Collings, London, 1981.

Maseru January 1983) as well as a growing number of sectoral programme meetings at official and ministerial level. These meetings were marked by progress: the first substantial pledges of external support at the Maputo conference, the adoption of institutional structures and procedures by a formal memorandum at the Salisbury summit, the inauguration of the permanent Secretariat in Gaborone during the 1982 summit, and the expected development of sectoral priorities and action programmes in industry and agriculture for SADCC: Maseru.

2. The Basic Characteristics and Approaches of Co-operation

2.1 The Commitment to Self-Definition

The commitment to self-definition by its member governments, to identify and act on perceived common interests in the fields of economic liberation and development and to do so in ways appropriate to the Southern African context. This characteristic has determined the SADCC programme development and procedures. There is a concentration on co-ordination of transport and communication of key production sectors (agriculture, industry, energy, mining) and of research and manpower development in support of these sectors. Increased production of important goods and services is seen as central to development with enhanced research and manpower development essential to enhanced production.

2.2 The Importance of Trade

Regional trade and the development of financial institutions are considered important. However, they are not perceived as ends in themselves or prior requirements, but as consequential to transport and production co-ordination and as a means to facilitate such co-ordination.

2.3 Commitment to Results and National Involvement

Commitment to rapid, practical results and to maximum national involvement. This approach has minimised formal institutional structures and maximized the role of interstate meetings.

Institutional structures are established only after small units provided by sectoral co-ordinating states have created practical programmes. Institutions are designed to fit and serve programmes but not the other way round.

2.4 Flexibility Towards Participation in Other Co-operation Groupings

Participation of member countries in other African and south-south co-operation groupings seen as desirable rather than inconsistent. Apart from some of the groupings, a majority of SADCC states are members of the Eastern and Southern African Preferential Trade Area. SADCC sees no inherent contradiction between participation in a wider grouping concentrating on trade facilitation with participation in SADCC's work of co-ordinated development of transport and communications, key productive sectors and supporting research and manpower development.

3. The Programme of Action

The Lusaka Declaration called for a Programme of Action for regional co-operation with the objectives mentioned earlier. The annual conference Maputo 1980, mobilized resources for the implementation of the projects in the Programme of Action. From the Maputo 1980 and the Blantyre 1981 conferences stemmed the sectoral programmes and activities.

3.1 Industrial Development Programme (delegated to Tanzania for co-ordination)

3.1.1 Objectives of the Programme

The Ministerial Council met at Blantyre in 1981, on the basis of a paper submitted by Tanzania which is the co-ordinating country, adopted a policy frame and programmes to undertake industrial development work in the SADCC region. An initial presentation of a comprehensive programme is based on the objectives:

- i) promotion of industrial development of the region to meet the basic needs of the people for minimum standard of living;

- ii) priorities and harmonization of industrial growth in a rational and integrated manner;
- iii) promotion of core industries which give inputs and accelerate basic need industry;
- iv) promotion of regional trade industries linked to industrial production.

3.1.2 The Programme of Action

The programme contained an action plan by which priority industries based on basic needs and export/import regional trade were identified for implementation. As a result of the clear direction given at Blantyre, the subsequent Officials' Meeting formulated a practical implementation programme by which 17 project lines were selected for implementation (Annex I). These belonged to 9 sectors namely:

- 1) Salt
- 2) Textiles
- 3) Tractors and Farm Implements
- 4) Pesticides, Insecticides and Textile Chemicals
- 5) Pulp and Paper
- 6) Fertilizers
- 7) Wool and Mohair
- 8) Cement
- 9) Electrical Transmission and Distribution Equipment.

The criteria for including specific sub-sectors in the SADCC industrial co-ordination work are that:

- i) their products are critical to national and regional Development strategies;
- ii) that particular projects within the sub-sector are of significant importance for several countries or depend to a substantial degree on the availability of regional markets.

3.1.3 The Process of Project Identification

To carry out the industrial development work entrusted to Tanzania as co-ordinator, a SADCC Industrial Development and Co-ordination Unit was established in the Ministry of Industries. Each sector was looked into by engaging consultants to structure a sectoral plan for development with location of projects fitting into the plan. As a result, 33 projects for implementation and 21 projects for further study were selected. This first set of projects was approved by the SADCC Industry Ministers' Meeting at Arusha in September 1982 following two meetings of the sub-committee. These projects, approved by the Ministerial Meeting, are expected to be presented at the Maseru January 1983 annual conference. The details of the projects are given in Annex I.

3.1.4 The Mechanism of Implementation

The mechanism of implementation will be through organization of a Donors' Conference in Maseru, Lesotho in January 1983 and tie up implementation by National Governments and Tanzania as a Co-ordinator. The SADCC Unit in Tanzania continues to analyse the projects for implementation wherever feasible. Eventually, comprehensive sectoral plans will be set for the region for implementation.

3.1.5 Guideline for Selection of Projects for Implementation

To facilitate the continuous process of identification and subsequent implementation of industrial projects by the Industry Sub-committee within the policy frame adopted at Blantyre, the Ministers' Meeting at Arusha, September 1982, agreed on a guideline for selection of industrial projects. All projects contributing to the SADCC goals of economic liberation in the context of 1980 Lusaka Declaration and the 1981 Blantyre decision are included in the regional plan. Projects would be eligible for implementation if they satisfy any of the following conditions:

- (i) the ability of the project to meet internal consumption and have surplus to export particularly to SADCC countries
- (ii) the need for such a project to obtain raw materials within SADCC region
- (iii) the realistic conditions of transporting raw materials and products within the region that favour the projects.

3.1.6 Project Negotiation and Implementation

The programme of project identification and implementation would be carried out by the Co-ordination Unit in conjunction with member states according to the directives.

The projects for implementation and studies of specific plant proposals will be negotiated and implemented by the member states in which they are located. Tanzania, as co-ordinating country will keep track of overall programme implementation, build up the data base in respect of additional product groups and negotiate/implement studies that relate to an industrial sub-sector or product group.

3.2 Energy Conservation and Security Programme (delegated to Angola for co-ordination)

In the sector of Energy Conservation and Security, on the basis of a paper "Towards an Energy Policy for Southern Africa", which was initially used to present a co-ordinated stand at the UN Conference on Energy Resources in Nairobi in 1981, and subsequently adopted by the Council of Ministers as a policy document, a regional energy programme is to be developed. Meetings of Energy Ministers and sectoral officials have been held to start defining areas of action and an administrative and technical unit has been created in the Ministry of Energy, Angola, the co-ordinating country for the sector, to work on further articulation of the programme and to service the proposed Southern African Energy Commission (SAEC). A study on the means of

of attaining self-sufficiency in the supply of petroleum products has been defined, terms of reference approved and negotiations towards securing international co-operation for its execution during 1983 begun. The Luanda Meeting of Energy Ministers in September 1982 approved an approach to defining a programme of action, guidelines for identifying projects to be included in it, projects in personnel development for consideration in that sector and certain initial project proposals in respect of electricity supply development (Zimbabwe-Mozambique) and fuel storage rehabilitation (Beira) have been approved for presentation at the Maseru Annual Conference in January 1983.

It has been decided^{1/} to establish the Southern African Energy Commission (SAEC) to promote rational utilization of various energy resources in the region, to promote the development of new sources of energy and to ensure participation of the SADCC member states in the definition of an energy policy for the region.

The establishment of a Regional Petroleum Development School has also been proposed to develop management and technical operative personnel in petroleum exploration and production to serve the regional energy projects.

3.2.1 Objectives of the Energy Programme

The SADCC Council of Ministers, on the basis of the document "Towards an Energy Policy for Southern Africa", approved in June 1982 the objectives of the regional energy policy. These can be summarised as follows:

- (i) to restrict the use of petroleum products solely to applications where alternative resources cannot be envisaged.
- (ii) to develop regional electrification and extend it to the transport and agricultural sectors. To exploit the vast hydroelectric resources of the region in order to

^{1/} Decisions of the SADCC Ministers' Meeting, Luanda, February 1982

achieve this, and also to make use of small hydro-electric power stations throughout the rural areas

- (iii) to promote the interconnection of the national grid systems to ensure that production and distribution capacity is utilized on a more efficient basis between the various States in the region
- (iv) to develop prospecting and exploitation of fossil fuel deposits - oil, natural gas, coal
- (v) to develop new technologies in the production of solar energy, biomass and other renewable energy sources and then make them available to the rural areas
- (vi) to promote research and development in these technologies at regional level
- (vii) to promote programmes of reforestation and efficient exploitation and utilization of wood at regional level.

3.2.2 The Programme of Action

To meet the most important of the above objectives, a programme of action has been prepared by Angola and has been approved by the SADCC Ministers of Energy. The programme envisages action in three phases:

- (i) to analyse the energy situation in the region;
- (ii) to identify energy projects of regional interest;
- (iii) to select the projects and present them to the international funding agencies.

Basic data on energy consumption and supply in the member countries was initiated in 1981 to detail development projects in the energy sector. This information has been compiled and classified country and sector wise from February to July 1982 and technical missions (hydro-electric plants, oil refining and distribution, thermal

power stations and energy planning) have been fielded to member countries during August and September 1982. A comprehensive initial report has been prepared towards the end of the year, presenting the energy situation in the region indicating the present problems, development trends, and energy balances by country and sector at sub-regional and regional levels.

A second report identifying a number of projects to improve the energy balance within the framework of SADCC development objectives is expected to be presented to the Energy Ministers in April 1983. These would include projects that have been already evaluated and those for further evaluation.

3.2.3 Criteria for Evaluation and Selection of Regional Projects

The Ministers of Energy approved in 1982 the criteria for evaluation and selection of regional projects. The necessity of co-ordination in the energy sector between the member states is stressed as a means to achieve the following:

- (i) reduction of the region's energy dependence on outside sources;
- (ii) promotion of efficient exploitation and utilization of the region's energy resources;
- (iii) improvement and development of energy supply to the rural areas;
- (iv) control of the development process in the energy sector within the region.

3.2.4 Specific Criteria for Project Selection

Within the afore-mentioned general criteria, three sets of specific criteria have been identified, which will be applied in the selection of projects. These relate to:

(i) The Energy Crisis

The SADCC projects should:

- reduce dependence on external supply of energy

- lessen fossil fuel consumption
- increase energy conservation
- meet the energy needs of the rural population.

(ii) Regional Co-operation

The SADCC projects should:

- contribute to the energy balance of more than one country
- be managed, as far as possible, by citizens of the region
- represent a certain investment magnitude
- be owned and controlled within the region
- utilise inputs from within the region

(iii) Technical Criteria

The SADCC projects should meet the following accepted technical criteria:

- satisfy clearly defined need
- be technically feasible
- be socially and economically justifiable
- be clearly preferable to any alternative or competitive project
- make a positive contribution to the development

3.2.5 The Mechanism of Project Selection and Implementation

For the projects and project studies that are expected to be approved in April 1983, terms of reference for implementation will be prepared between May and July 1983. These projects would then be presented to international funding agencies.

Certain priority projects have been approved by the SADCC Ministers, before the report on regional projects. These are

- a) study on "How SADCC Countries Might Achieve Self-Sufficiency in the Supply of Oil Products"
- b) Mozambique-Zimbabwe Electricity Supply Development. (Connection of transmission lines between the two countries to supply the

area south-east of Zimbabwe with electricity produced by Cabora Bassa in Mozambique)

- c) Beira Fuel Storage Rehabilitation (repair and extension of liquid fuel storage facilities at Beira, that supply several countries in the region)
- d) Regional Petroleum Development Centre (to train technicians and operators from SADCC member countries in various areas of petroleum development).

The SADCC programme of co-operation in the field of energy development is expected to lead, in successive phases, to the identification, selection and realization of energy projects of regional interest.

3.2.6 The Course of Action

The Meeting of Energy Ministers of SADCC in Luanda in February 1982 took a decision in principle to establish the Southern African Energy Commission (SAEC) and requested the energy officials concerned to prepare, on the basis of member state responses to questionnaires prepared by Angola, the co-ordinating country, and the member state proposals, a list of priority regional energy projects and a draft programme of action for the commission.

The specific objectives proposed for the Energy Commission in the draft convention are:

- (i) to promote rational and integrated utilization of the various energy resources in the region
- (ii) to promote the development and use of new sources of energy
- (iii) to ensure participation of member states in the definition of an energy policy for the region.

The SAEC convention prescribes commitment in the areas of Power, Petroleum, Coal and New and Renewable Sources of Energy.

3.2.7 The Work Programme

The draft work programme for the Energy Commission includes the following activities:

- Preliminary data analysis
- Elaboration of a programme of technical visits to member states
- preparation of a list of priority regional energy projects
- preparation of a programme of action for the commission
- elaboration of a Master Plan for energy development in Southern Africa
- concretization of technical missions of co-operation with member states
- fielding of technical teams to member countries (fields to be covered: hydro-electricity, thermal stations, coal, oil derivatives, renewables, planning of distribution systems and economic analysis)
- analysis of results of technical missions
- data treatment
- checking of national energy balances
- establishment of balances and energy synthesis by sectors and countries
- research and identification of regional projects
- establishment of regional projects by priorities

A preliminary report is expected to be prepared, discussed with the Committee of Experts of the Energy Commission, introduced to the Ministerial Committee on Energy, and make final conclusions. Thereafter, terms of reference for studies to be made on already selected projects.

3.2.8 Co-ordination of Activity

The Administrative and Technical Assistance Unit located in Angola, is expected to service the Energy Commission particularly in the work that needs to be undertaken in the member countries

on energy surveys, estimates, inventory of resources etc., supervise the four technical committees proposed to be set up by SAEC, publish and distribute energy studies and organize and conduct seminars, workshops etc. The activity would more specifically involve:

- identification, recruitment and administration of experts for preparation of studies and assessment of committees;
- preparation of terms of reference for drawing up of concrete proposals for energy production, distribution and consumption;
- organization and co-ordination of pre-feasibility and feasibility studies that have to be undertaken for the above projects and their assessment
- identification of potential donors for the projects and initiate negotiations with them
- propose establishment of suitable organizational structures for the implementation of the projects.

3.3 Other Programmes

- 3.3.1 Manpower Development (delegated to Swaziland for co-ordination)
- 3.3.2 Transport and Communication (delegated to Mozambique for co-ordination)
- 3.3.3 Food Security (delegated to Zimbabwe for co-ordination)
- 3.3.4 Soil Conservation and Land Utilization (delegated to Lesotho for co-ordination)
- 3.3.5 Crop Research in Semi-Arid Tropics (delegated to Botswana for co-ordination)
- 3.3.6 Animal Disease Control (delegated to Botswana for co-ordination)
- 3.3.7 Southern African Development Fund (delegated to Zambia for co-ordination)
- 3.3.8 Security Printing (delegated to Zimbabwe for co-ordination)

- 3.3.9 Fisheries (delegated to Malawi for co-ordination)
- 3.3.10 Wildlife (delegated to Malawi for co-ordination)
- 3.3.11 Forestry (delegated to Malawi for co-ordination)
- 3.3.12 Mining (delegated to Zambia for co-ordination).

CHAPTER 2

APPRAISAL OF THE PROGRAMME ACTIVITY

1. Programme Activities in the Industrial Development and Energy Conservation

The need for technical assistance emanates from the requirements of effective co-operation, co-ordination and management that are essential to meet the goals of the SADCC in the implementations of its industrial development and energy conservation programmes, and from the real needs arising from the existing situation and available capabilities in the member countries. A brief appraisal of the essential activities of the programmes and the existing situation in relation to their implementation, leading to the identification of the areas for technical assistance are presented below.

1.1 Industrial Development Programme Activity

In order to successfully implement the extensive programmes in the industrial development sector, encompassing 17 project lines falling into 9 major sub-sectors accounting for 33 projects for implementation and 21 projects for further study, involving possibly a number of donor governments and external agencies and the diverse policy frame work and existing situation in the 9 member states, particularly when the programmes are based on complementarity of

resources and capacities and the intra-regional trade envisaged, considerable management capabilities and effective co-ordination are required. The emphasis placed on the development of human resources and self-reliance, further stresses on the maximum mobilization and utilization of the available resources and existing institutions.

The cost of implementation of programmes is a particularly important aspect in terms of management costs involved in the preparatory, project and operational stages and the development of the necessary capabilities to manage and co-ordinate such activities. The costs of external consultancy in the above areas should be minimised in order to save the valuable foreign exchange and divert it to investment in imported plant and machinery.

The danger of diverse management systems and methodologies in the preparatory and project stages and their adverse effects on meeting the time schedules and budgets, in the overall programme implementation, should be thwarted.

The lack of effective management in the operational stages of the enterprises would affect the overall performance in meeting the production targets and realizing the returns on investment.

It is also important to limit the diverse standards, designs and raw materials for manufactured goods, particularly in the capital goods sector to ensure product compatibility, realise economy of inventory of standard parts and raw materials and to facilitate sub-contracting and inter-country trade.

In order to realise the increased production that is central to industrial development and to make possible the co-ordinated effort to achieve the increased production with priorities on expansion and establishment of capacity in a major programme of

implementing about 33 projects in 9 sub-sectors, considerable industrial management and consultancy capabilities are required. These have to be developed within the region to reduce external dependence and to enable operations in the context of SADCC member states. The development of such capabilities has to be inducted into the programme right along with the implementation of the projects.

Some specific areas related to the implementation of the projects, pointing to the urgent need for the development of management and consultancy capabilities are given below:

1.1.1 Preparation of Feasibility and Project Studies

About 21 feasibility studies and project studies are scheduled (Annex I). Some of the feasibility studies are estimated to cost up to US\$ 500,000. It is to be co-ordinated and organised so as to develop relevant capabilities in local personnel by involving them in the preparation of such studies when they are commissioned to outside agencies. Some of the studies and parts of the externally commissioned ones could be prepared by national agencies together with the regional management institute. This would result in considerable reduction in the cost of preparatory work in the implementation of the programme and also enable the necessary consultancy capabilities to be developed for future.

1.1.2 Project Management

The activities related to project management in the process of implementing the 33 projects (Annex I) is considerable. Apart from streamlining the mechanisms for co-ordination of investment and aid, regulation of licensing and establishment of enterprises, the project management at the enterprise level is of particular importance especially in meeting the time schedules and budgets. Delays in project activity and essential elements being not taken into consideration have resulted in expensive cost over-runs and increased fees to external consultants.^{1/}

^{1/} Example: Mufundi Pulp and Paper Project, Tanzania - cost over-run of about 30% of budget estimates (from US\$ 252 million to 328 million) over a 3 year period. Increase in fees to external consultants 12 million US Dollars.

1.1.3 Management for overall performance of enterprises

In the implementation of the identified 33 projects involving expansion of capacities and establishment of new capacities, the overall performance of the enterprises in meeting the planned production targets and returns is of paramount importance. Considerable skills in financial and production management are required. Many of the existing works suffer from low capacity utilization and low added value.

1.1.4 The Key Agencies involved and the Requirements of Co-ordination and Management

The key agencies involved in the implementation of the industrial development programme are

- (i) the SADCC Industrial Development and Co-ordination Unit located in the Ministry of Industry, Dar-es-Salaam, Tanzania
- (ii) the ministries of industry and industrial development corporations in the nine member states
- (iii) and the industrial enterprises for expansion or establishment under the projects of the programme (Annex I).

For the successful implementation of the programme, effective co-ordination of the overall programme at the regional level, co-ordination and management of projects and enterprises at the national level and efficient management at the enterprise level are essential.

1.1.4.1 Co-ordination at the SADCC Regional Level

At the regional level, the amount of co-ordination work involved is extremely vast. It includes

- a) collection of data on existing capacities, capacity utilization, product and product use, production data; analysis; compilation of inventories, build up a data base for additional product groups etc.

- b) identify, recruit and administer expert/consultants to undertake sectoral, country and project studies; identify projects and structure sectoral plans, establishment and application of criteria for sub-sectors for inclusion in plans
- c) organize the preparation of pre-feasibility and feasibility studies and their analysis and assessment
- d) identification of viable projects application of criteria for project selection and organization of implementation in co-ordination with the responsible agencies of the member states
- e) identify donors, co-ordinate negotiations of member states with donors, co-ordinate aid and investment
- f) co-ordination of capacity, production, utilization and product usage
- g) co-ordination of trade.

These activities cover all the stages of implementation, namely the preparatory, project and operational stages.

1.1.4.2 Co-ordination and Management at the National Level

Apart from streamlining the national mechanisms for co-ordination of investment and aid, regulation of licensing and establishment of enterprises, the co-ordination and management of enterprises at the project and operational stages require considerable management capabilities and in specific include the following:

- a) general policy and procedures for new project implementation for expansion/establishment of capacities, monitoring management and reporting
- b) financial and productivity monitoring, evaluation of performance of enterprises, reporting

- c) co-ordination with enterprises, between enterprises and government agencies, overseas organizations and among enterprises of member states
- d) establishment of promotional and consultancy services to the enterprises
- e) development of managerial staff
- f) co-ordination of trade.

1.1.4.3 Management at the Project/Enterprise Level

For successful establishment of the enterprises, the effective and efficient management is essential, at the project stage to meet the implementation time schedules and budgets and at the operational stage for optimum utilization of capacities, higher added value, to meet the production targets and realize the returns on investment. This would include

- a) project implementation management for expansion/ establishment of capacities, project control, reporting
- b) financial, production, maintenance management, quality control, reporting
- c) implementation of remedial measures for improvement of overall performance etc.

1.2 Energy Conservation Programme Activity

In order to successfully launch and implement a major energy development and conservation programme for the SADCC countries and covering all the available sources of energy and including new and renewable sources; to organize and co-ordinate the extensive work that is to be undertaken in the member countries and to manage the energy projects for the region, considerable energy management capabilities are required. The emphasis laid on attaining self-sufficiency in petroleum products particularly points out to the need for a carefully planned, co-ordinated and managed implementation

of the energy programme. A specific requirement stressed in the approach defining the programme of action is the development of management personnel to operate the sector, which has also been included in the Manpower Development Programme as a specialized area. A criterion for the selection of SADCC energy projects is that they should be managed, as far as possible, by citizens of the region.

A well established Energy Commission and its effectively co-ordinated activity is expected to result in an energy policy for the region and in the promotion of rational and integrated utilization of the existing resources and development of new sources of energy.

To promote rational utilization of energy, it is important to ensure its efficient use through appropriate management and conservation measures, with special emphasis on the industry. particularly so, in the present context of the planned rapid industrial growth. These measures are known to bring about substantial energy economy reducing external dependency and saving valuable foreign exchange which could be well utilized for the development of energy in the region.

The energy management capabilities for energy development and conservation have to be developed within the region and this process should be initiated from the start of the energy programme implementation.

Certain specific situations and areas related to the energy operations that indicate the need for the development of energy management capabilities are given below. These are in addition to the areas such as the management of pre-project activity, project management and management for overall performance of the energy projects.

1.2.1 The Organization and Management of the Energy Balance

The SADCC member states have diversified potential for energy development. The potential is unevenly distributed. To realize the objective of an energy balance in the region extensive organizational and management capabilities are necessitated right from energy planning to the operational stages of the projects. The immense magnitude of the task involved is indicated by the present energy potential distribution.

- a) Petroleum: Petroleum is produced in Angola. The 1982 production exceeds 7 million tonnes, and there seems to be potential for increased output. The rest of the member states import oil absorbing a high percentage of the revenue from exports: Malawi, Tanzania - 30%; Zambia - up to 20%; Zimbabwe - more than 20%. This expenditure has diminished the capacity to save and invest.
- b) Coal: 60% of the continent's resources are concentrated in Botswana, Zimbabwe, Mozambique, Tanzania and Swaziland. Recoverable resources are estimated at 2.5 to 3 billion tonnes and potential geological resources in the order of several tens of billion tonnes.
- c) Hydro-electric Power: 85% of the 4000 MW total capacity is on the Zambezi River (2000 MW at Cabora Bassa Mozambique; 1,266 MW at Kariba, between Zimbabwe and Zambia). Estimates indicate a potential of 10 to 12 times greater, but unevenly distributed. This represents about 20% of the entire hydro-electric resources of Africa.
- d) Natural Gas: Estimated resources are about 180 billion m³, distributed between Angola, Mozambique and Tanzania. Probable reserves are 80 to 100% greater.

The activities required to identify, select and implement projects to realize the objective of contributing to the energy balance in the region have to be well organized and co-ordinated based on sound management systems established from the beginning.

1.2.2 The Management and Control of Energy Development

The projects for the development of energy in the region according to the project criteria should be managed, as far as possible, by citizens of the region and be owned and controlled within the region. The existing situation in the sector of petroleum in Angola is that it is dominated by foreign companies. Three of them (Gulf, Texaco, Petrangol) at present provide the total output. Sonangol, the national oil company, which owns a minimum of 51 percent of all exploration ventures, has concluded agreements with a number of new companies, some of which have already begun exploration. In view of this foreign dominance of the oil industry, the Government has laid great emphasis on the national participation in the sector by gradually providing Angolans to take over jobs held by foreign personnel. It is the Government's intention that by 1985, about 50 percent of all personnel in the sector should be Angolan. In the regional scene as well, there is a lack of qualified personnel both at the operative and management levels.

1.2.3 Energy Conservation

To thwart the energy crisis and to realize the objective of self-sufficiency in the supply of petroleum products, some of the criteria established for project selection are related to the reduction of fossil fuel consumption and promotion of energy conservation. These criteria assume a great importance in the wake of establishment of energy balances in the region and in the context of additional energy inputs for the planned industrial development in the region. To ensure efficient utilization measures of energy management and conservation including energy saving technologies, regulatory measures, energy utilization efficiency of industrial equipment and standards for efficiency of energy utilization etc. are of great importance.

1.2.4 The Key Agencies involved in the Energy Programme and the Requirements of Co-ordination and Management

The key agencies involved in the implementation of the SADCC energy conservation programme are

- i) The Administrative and Technical Assistance Unit located in the Ministry of Energy in Luanda, Angola
- ii) the proposed Southern African Energy Commission (SAEC) in Luanda, Angola, and its four Technical Committees on petroleum, electric power, coal and new and renewable sources of energy
- iii) the Ministries of Energy in the nine member states
- iv) the energy projects and enterprises for the development and production of energy in the region under the energy programme.

For the successful implementation of the energy programme, effective co-ordination of the overall programme at the regional level, co-ordination and management of projects at the national level and efficient management at the project level are essential. The activities involved for co-ordination and management at the regional level, from the preparatory to operational stages of the projects, involving the Unit and SAEC have been indicated in the sections 3.2.7 and 3.2.8 and the activities at the national and project level are similar to those mentioned in sections 1.1.4.2 and 1.1.4.3. In addition, there is the activity for energy conservation in the industrial sector that is to be co-ordinated and managed at the national level.

CHAPTER 3

IDENTIFICATION OF TECHNICAL ASSISTANCE

Based on the review of the co-operation arrangements and the appraisal of the programme activity and their requirements in the Industrial Development and Energy Conservation Programmes, the essential directions of and the specific areas for technical assistance have been identified. With the view to pool up the existing resources and to strengthen the linkages between the national/regional projects and institutions, certain existing institutions have been identified for each of the programmes, the strengthening of which would generate inputs for provision to the areas and the agencies in need of technical assistance. This modality of providing technical assistance would not only limit the cost of direct inputs but also ensure mobilization and development. The two main directions of technical assistance identified are:

- (i) Development of Management and Consultancy Capabilities for the SADCC Industrial Development Programme Implementation; and
- (ii) Development of Energy Management Capabilities for the Implementation of the SADCC Energy Conservation and Security Programme.

Two project proposals have been developed (Appendices I and II) to provide the technical assistance.

The identification of the specific areas of technical assistance under these main directions is presented in the following paragraphs.

1. Development of Management and Consultancy Capabilities for the SADCC Industrial Development Programme Implementation

In order to realize the increased production that is central to industrial development and to make possible the co-ordinated effort to achieve the increased production with priorities on expansion

and establishment of capacity, in a major programme of implementing more than 30 projects in about 11 sub-sectors, considerable industrial management and consultancy capabilities are required. These have to be developed within the region to reduce external dependence and to enable operations in the context of SADCC member states. The development of such capabilities has to be inducted into the programme right along with the implementation of the projects.

The proposed technical assistance is expected to contribute to the development of management and consultancy capabilities in the SADCC region through a scheme in three stages of co-ordination of activities (Annex II) directly related to the implementation of the projects, among the SADCC co-ordinating unit, member government agencies, the industrial enterprises resulting from the projects and the regional institution of management, and local consultants.

The technical assistance proposed aims at supporting the SADCC industrial development programme by development of management and consultancy capabilities that are crucial for the successful implementation of the SADCC projects, thus complementing and facilitating programme implementation. The technical assistance is planned to be provided through ECDC/TCDC and institutional twinning arrangements. Emphasis is laid on securing effective co-ordination in programme implementation at the regional level, co-ordination and management of projects and enterprises at the national level, efficient management at the enterprise levels, including development of consultancy services in the region.

1.1

Specific Areas for Technical Assistance

The specific areas identified for technical assistance are the development of procedures for co-ordination and systems for management, monitoring, reporting and evaluation in the project implementation stages for the expansion and establishment of manufacturing capacities; and for optimum capacity utilization and overall performance of

enterprises in the operational stages; and development of organized diagnostic and remedial consultancy services. The assistance is planned through programmes of on-the-job development of personnel and organization of courses, consultative meetings and consultancy services in three stages of co-ordinated project implementation (Annex II) among the key agencies responsible for co-ordination and implementation of the SADCC programme: the SADCC Co-ordination Unit, member government agencies, the national projects including local consultancy organizations/panels and the Eastern and Southern African Management Institute for the development of management and consultancy capabilities in the region. The Eastern and Southern African Management Institute is a regional institute located in Arusha, Tanzania. Details of the activities and organization of the institute are given in Annex III.

1.2

The Objectives in Providing the Technical Assistance

The technical assistance is envisaged to meet the following objectives:

- (i) To implement an overall system of co-ordination in the expansion and establishment of manufacturing capacities from the preparatory to the operational stages, through appropriate industrial management; by providing assistance to the SADCC Industrial Development and Co-ordination Unit located in Tanzania.
- (ii) To establish a general methodology and system of co-ordination and management, including consistent application of policies and regulations within the framework of national policies, in the expansion and establishment of manufacturing capacities, from the investment and project stages to the operational stages, through appropriate industrial management; by providing assistance to the SADCC member state ministries/industrial development corporations.

- (iii) To render assistance to the industrial enterprises, resulting from the projects in the programme, in their expansion and establishment, from project stage to operational stages, through development of management and consultancy capabilities in the SADCC region, based on ECDC/TCDC and institutional twinning arrangements.
- (iv) To strengthen the existing Eastern and Southern African Management Institute, in Arusha, Tanzania, to enable it to:
 - a) develop management and consultancy capabilities in the SADCC region and
 - b) provide assistance to the SADCC projects directly or through national organizations.

1.3 Requirements to Achieve the Objectives

In order to achieve the objectives, the establishment of the following is required:

- (i) A well established co-ordination team at the SADCC Industrial Development and Co-ordination Unit, located in Tanzania, for successful implementation of the programme.
- (ii) Co-ordination teams in all the nine member state ministries/development corporations with well established co-ordination, management, monitoring and internal reporting systems, which will include:
 - a) General policy and procedures for new project implementation for expansion/establishment of capacities; monitoring, management and reporting.
 - b) Financial and productivity monitoring systems and procedures for evaluation of performance of enterprises, reporting.
 - c) System for co-ordination and linkages with enterprises, between enterprises and other government agencies, overseas organizations, and among enterprises in the countries of the SADCC region.

- d) General procedures and planned programmes of diagnostic and remedial consultancy, within each country and among countries of SADCC region
 - e) Planned programme for management staff development.
- (iii) Well equipped management teams in the enterprises, with established production and financial management systems; and adequately developed consultancy services in the region, which will include:
- a) project implementation management for expansion/establishment of capacities, project control systems, to meet the time schedules and budgets; reporting.
 - b) developed, introduced and implemented specific management systems for financial, production management, maintenance, quality control etc., for optimum capacity utilization in the operational stages of enterprises, reporting.
 - c) planned programme for diagnostic and remedial consultancy.
- (iv) Trained staff in the Eastern and Southern African Management Institute (ESAMI) in the areas of project management, financial and production management and organized courses, and seminars for development and provision of management and consultancy capabilities.
- (v) Adequately developed and functioning consultancy organizations or panels of consultants in the SADCC member countries for provision of diagnostic and remedial consultancy services to SADCC projects in their expansion/establishment and operations; as well as to government agencies.

1.4 The Technical Assistance

The activities necessary to establish the requirements mentioned in 1.3 and the inputs needed to perform the activities are given in detail in the Draft Project Document, Appendix I.

2. Development of Energy Management Capabilities for the Implementation of the SADCC Energy Conservation and Security Programme

In order to promote the rational and integrated utilization of the energy resources and develop new resources in the region within a regional energy policy, considerable planning, co-ordination and energy management are required involving a great amount of work and activity with the participation of the member countries. Technical assistance is proposed to support the SADCC Administrative and Technical Assistance Unit, and is expected to contribute to the organization and co-ordination of the work that needs to be undertaken in the SADCC countries on the various energy resources, their utilization, conservation etc.

In the context of reducing external dependence for petroleum and attaining regional self-sufficiency in the supply of petroleum products, the exploration and exploitation of the sources, the extraction and refining of petroleum and its utilization and conservation assume particularly important role. Assistance is proposed in the establishment of the Regional Petroleum Development School and is expected to contribute towards the organization and management of refining and exploration, utilization and conservation and to the development of management and technical personnel so crucial to meet the objective. These capabilities and resources have to be developed within the region to reduce external dependence, and should be initiated right in the beginning of the programme implementation.

To carry out the SADCC energy programme, it has been proposed to establish the Southern African Energy Commission (SAEC). The activity of the Commission is planned to meet the objectives of the SADCC programme. Technical assistance to the SAEC is proposed to contribute towards the organization, co-ordination and management of the operations of the Commission in the elaboration of the Master Plan, identification of regional energy projects and the preparatory activity for their implementation.

The technical assistance proposed in general aims at supporting the SADCC Energy Conservation and Security Programme by development of energy management capabilities for the successful implementation of the SADCC energy projects, through ECDC/TCDC and institutional twinning arrangements, thus complementing and facilitating the programme implementation. Particular emphasis is laid on an integrated approach of

- a) securing effective co-ordination, organization and management of the vast amount of work that is to be undertaken in the SADCC countries by the proposed Energy Commission and the Technical Unit towards the elaboration of a Master Plan for Energy Development in the region and for identification of energy projects in the region.
- b) development of management and operative personnel through the Regional Petroleum Development School, to implement and manage the projects.
- c) promoting the efficient utilization of energy through management and conservation measures, with emphasis on industry that is being developed, by establishing the necessary consultancy services through the Eastern and Southern African Management Institute.

2.1 Specific Areas for Technical Assistance

The proposed assistance is essentially oriented to help the key agencies, namely the Energy Commission and the Technical Unit in developing procedures, methodologies and systems in all their activities and on-the-job development of organizational and management capabilities; to render assistance to the Regional Petroleum Development School in the development of management and technical personnel and to assist the Eastern and Southern African Management Institute in establishing an energy management and conservation consultancy service to the industry.

The Regional Petroleum Development School is expected to serve the SADCC region and is envisaged to be developed from the national Petroleum Development Centre in Angola through additional inputs and re-orientation to regional operations in the context of SADCC energy policy. The background and the present situation of the Centre are given in Annex IV.

2.2 The Objectives in Providing Technical Assistance

The technical assistance is proposed with the following objectives:

- (i) To secure effective co-ordination, organization and management of the work that needs to be undertaken in the SADCC countries by the Administrative and Technical Assistance Unit, located in Angola, to service the proposed Southern African Energy Commission (SAEC), in the
 - a) preparation of energy surveys, estimates, energy balances, synthesis by sector/country, inventory of sources, feasibility studies, project proposals; and identification of personnel to undertake such studies
 - b) publication and distribution of energy studies and organization of seminars and workshops
 - c) supervision of the proposed four technical committees (under SAEC) on petroleum, electric power, coal, new and renewable sources of energy.
- (ii) To provide assistance in the establishment, organization and management of the Regional Petroleum Development School (RPDS) in the
 - a) development of technical personnel at operative level in petroleum refining and exploration
 - b) development of management personnel in the organization and management of petroleum refining and exploration
 - c) research activity of regional interest and establishment of a fuel testing laboratory
 - d) organization of regional seminars on petroleum.

- (iii) To secure effective co-ordination, organization and management of the work of the Southern African Energy Commission (SAEC) in the
 - a) elaboration of a programme of action for the commission
 - b) elaboration of a Master Plan for Energy Development in the region
 - c) identification of regional energy projects
 - d) data collection, analysis, synthesis by sector/country, energy balances, economic analysis
 - e) co-ordination of activities of the four committees on petroleum, electric power, coal and new and renewable sources of energy.

- (iv) To ensure efficient energy utilization through management and conservation measures with special emphasis on industry by
 - a) establishment of an Energy Management and Consultancy Service in the Eastern and Southern African Management Institute (ESAMI) in Arusha, Tanzania
 - b) developing a core of trained staff in energy conservation studies and consultancy services for energy conservation and management; energy saving technologies and regulatory measures; energy utilization efficiency of industrial equipment and standards for efficiency of energy utilization
 - c) collection and dissemination of information relevant to energy saving technologies, campaigning.

2.3 Requirements to achieve the Objectives

In order to achieve the objectives, the establishment of the following is required:

- (i) An established SADCC Administrative and Technical Assistance Unit, located in the Ministry of Energy, Angola, with well organized procedures and methodologies for the
 - a) collection and analysis of data pertaining to energy production, distribution and consumption; energy sources etc. for preparation of surveys, estimates, energy balances etc.
 - b) establishment of terms of reference for studies, guidelines for project identification; preparation of pre-feasibility and feasibility studies and project proposals
 - c) co-ordination with SADCC member country agencies, operational projects
 - d) co-ordination with donor countries/organizations and negotiations.

- (ii) A well established and operational Regional Petroleum Development School (RPDS), adequately equipped with staff, courses, instruction materials, fuel testing laboratory and necessary equipment, and with
 - a) programmes for training technical personnel for petroleum refining and exploration
 - b) programmes for training management personnel for petroleum refining and exploration
 - c) procedures for fuel testing, analysis etc.; research methodologies
 - d) programme for regional seminars with relevant topics.

- (iii) An adequately established Southern African Energy Commission (SAEC) including its secretariat, finalized convention and work programme, with well established systems of co-ordination, procedures and methodologies for the
 - a) organization of technical committees
 - b) organization of technical teams for field study

- c) collection and analysis of data
 - d) elaboration of Action Plan
 - e) elaboration of Master Plan
 - f) assessment of feasibility and project studies
 - g) identification of viable projects, appraisal and evaluation of projects
 - h) co-ordination and organization for implementation of projects
 - i) co-ordination with donor/aid countries and negotiations.
- (iv) A functioning Energy Management and Consultancy Service in the Eastern and Southern African Management Institute including trained staff, with
- a) manuals for conducting energy audits in industrial enterprises
 - b) methodologies for diagnostic consultancy assignments and implementation of remedial measures
 - c) recommendations on conservation measures, on Government conservation policies, regulations and incentives
 - d) recommendations on energy utilization standards for energy consuming equipment and processes
 - e) training manuals for technical staff.

2.4 The Technical Assistance

The activities necessary to establish the requirements mentioned in 2.3 and the inputs needed to realize the activities are given in detail in the draft Project Proposal, Appendix II.

PROJECTS SELECTED AT SADC INDUSTRY MINISTERS

ANNEX I

MEETING AT LISISSL. 8TH AND 9TH SEPTEMBER, 1982

- (a) Salt Location
- Projects for implementation
- (i) Expansion of Salt works NACALA, Mozambique
 - (ii) Expansion of Salt work Maputo, Mozambique
 - (iii) Development of Salt works Sajani, Kitame, Changwela
(Tanzania)
 - (iv) Expansion of Salt works Uvinza, Tanzania
 - (v) Iodisation plant Tanzania
 - (vi) Small scale refining plants Botswana/Lesotho
- Projects for Studies
- (i) Upgrading of existing Salt works Angola
 - (ii) Development of Salt works Lindi/Mtwara, Tanzania
 - (iii) Expansion of Salt works Manbone, Mozambique
 - (iv) Development of Salt works Kazangula, Zambia
- (b) Textiles (Synthetic/Blended)
- Projects for implementation
- (i) Knitting Units all nine countries
 - (ii) Power looms Botswana, Tanzania,
Lesotho, Swaziland, Zambia,
Malawi.
 - (iii) Polyester Yarn Tanzania, Mozambique,
Zambia.
 - (iv) P.O.Y. ext-rusion Plant Zimbabwe.
- Projects for Studies
- (i) Polyester Polymerisation
and PE Staple Zambia
 - (ii) Petro-chemical complex Angola

The meeting directed that the scope of the Petro-Chemical Complex Study promoted under the SADC Energy Co-ordination work programme should be investigated with the view to avoiding duplication.

(c) Wool and MohairProjects for Implementation

- | | | |
|-------|-------------------------|----------|
| (i) | Wool scouring | Lesotho |
| (ii) | Wool Spinning expansion | Botswana |
| (iii) | Blankets | Zimbabwe |

Projects for Studies

Buttons from horns	Botswana
--------------------	----------

(d) Textile ChemicalsProjects for Implementation

- | | | |
|------|------------------------------|----------------------------------------------------|
| (i) | Basic Textile Chemicals | Angola, Zambia, Zimbabwe,
Tanzania, Mozambique. |
| (ii) | Textile Processing Chemicals | Angola, Zambia, Zimbabwe,
Mozambique |

(e) Pesticides and InsecticidesProjects for Studies

- | | | |
|------|-----------------------|--------------------------------------------|
| (i) | Upgradation/expansion | All SADC Countries |
| (ii) | Medium/Small Units | Malawi, Swaziland,
Tanzania
Zimbabwe |

(f) FertilizersProjects for Implementation

- | | | |
|-------|----------------------------------------------------|-------------------|
| (i) | Ammonium nitrate/Calcium
Ammonium nitrate plant | Malawi |
| (ii) | Rehabilitation of Matola Plant | Mozambique |
| (iii) | Ammonia urea project | Pande, Mozambique |
| (iv) | Phosphate fertilizers plant | Zimbabwe. |

Projects for Studies

Study on the market for fertilizers and draw-up an intergrated production plan for SADC Region.	SADC Region.
-------------------------------------------------------------------------------------------------------	--------------

(g) Farm Implements

- | | | |
|-------|---------------------------------------------------------------------------------|---------------------------------------------------------|
| (i) | Expansion of Farm Implements
Factory | Zambia |
| (ii) | Expansion of Special Steel
and billet casting factory
for farm implements | Zimbabwe |
| (iii) | Small Scale Plants | Zambia, Malawi, Tanzania,
Angola, Lesotho, Botswana. |
| (iv) | Artisan Units | Lesotho, Botswana/Tanzania. |

Projects for Studies

Rationalization and Development
of Farm Implements testing
design etc.

SADCC Region

(h) Tractors and Tractor ComponentsProjects for Implementation:

Tractor assembly leading to
manufacturing

Swaziland/Tanzania

Projects for Studies

- (i) Tractor Assembly leading to
manufacturing
- (ii) Rationalization of Tractor
Production
- (iii) Study for Tractor component
manufacture from existing
capacities

Zambia

SADCC Region

SADCC Region

(i) CementProjects for Implementation

- (i) Rehabilitation of Cement Project
- (ii) Cement products

Mozambique

(a) Cement asbestos pipes

(b) Cement asbestos sheets

Mozambique

Projects for Studies

- (i) Study of Rehabilitation of Existing
Units
- (ii) Study on alternative use of cement
products

Malawi/Tanzania

Zambia

All SADCC Countries

(j) Pulp and PaperProjects for Implementation

- (i) Implementation of existing Pulp and
Paper Projects
- (ii) Board and Paper Mill
- (iii) Paper Mill

Tanzania/Zambia

Mozambique

Zimbabwe

Zimbabwe

Projects for Studies

- (i) Paper Mills
- (ii) Pulp and Paper
- (iii) Chemicals for Pulp and Paper
- (iv) Demand Study of Pulp and Paper and
an integrated plan for production

Swaziland/Angola

Mozambique

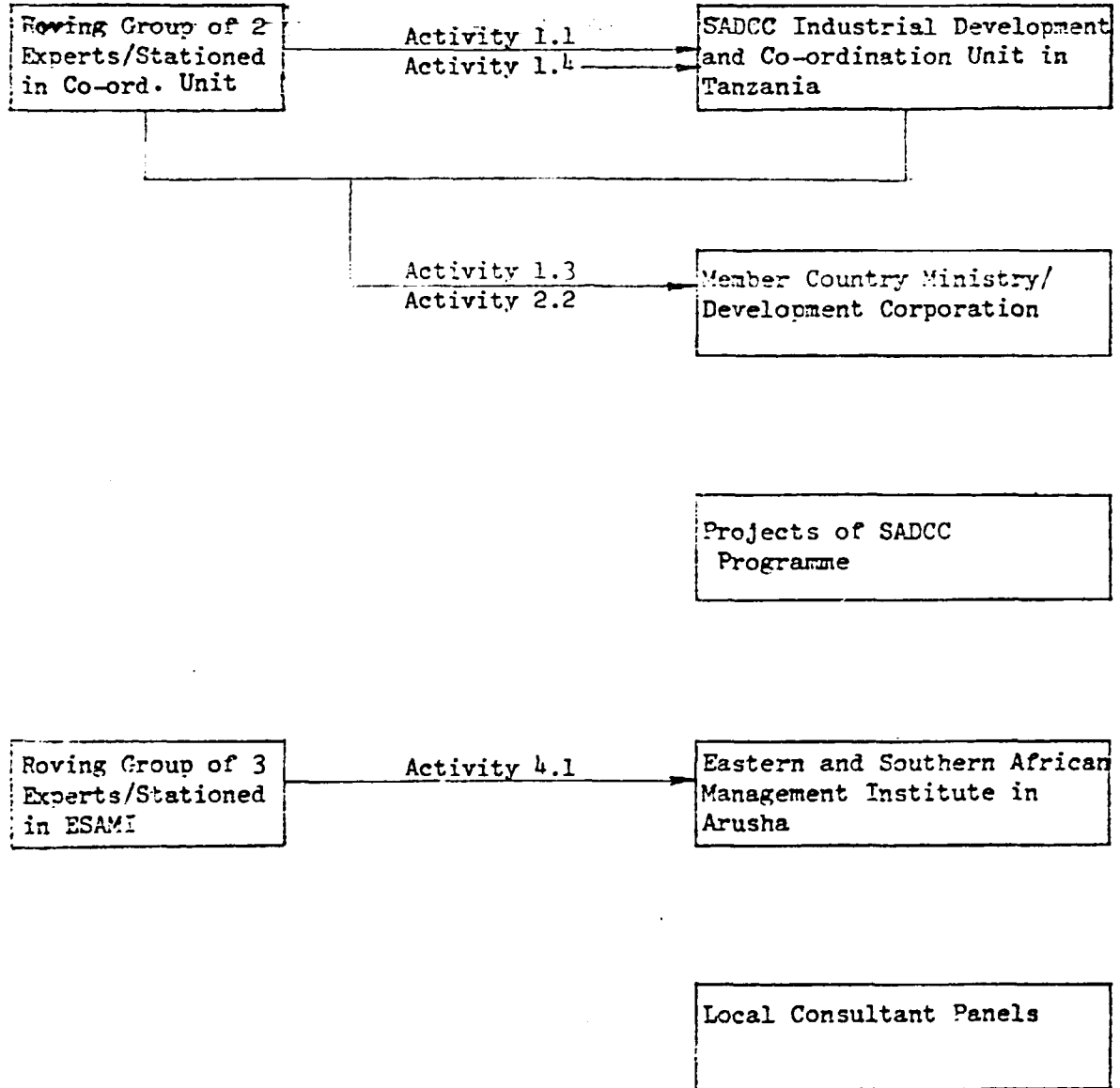
All SADCC Countries

All SADCC Countries

(k) Electrical Supply and Distribution Equipments
Projects for ImplementationProjects for Studies

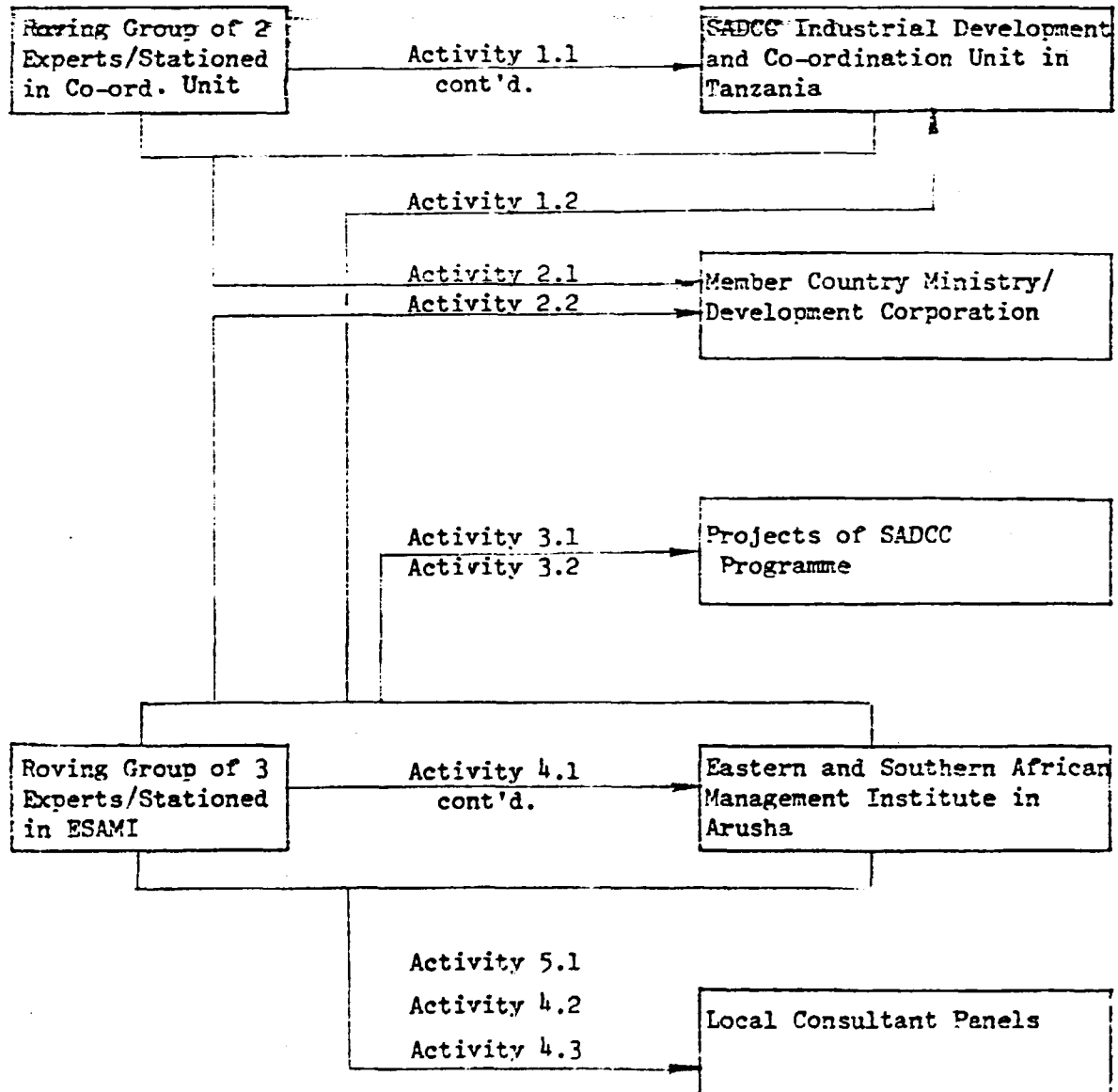
STAGE I

ASSISTANCE IN PREPARATORY AND PRE-INVESTMENT STAGES
(1st and 2nd Quarters: 6 months)



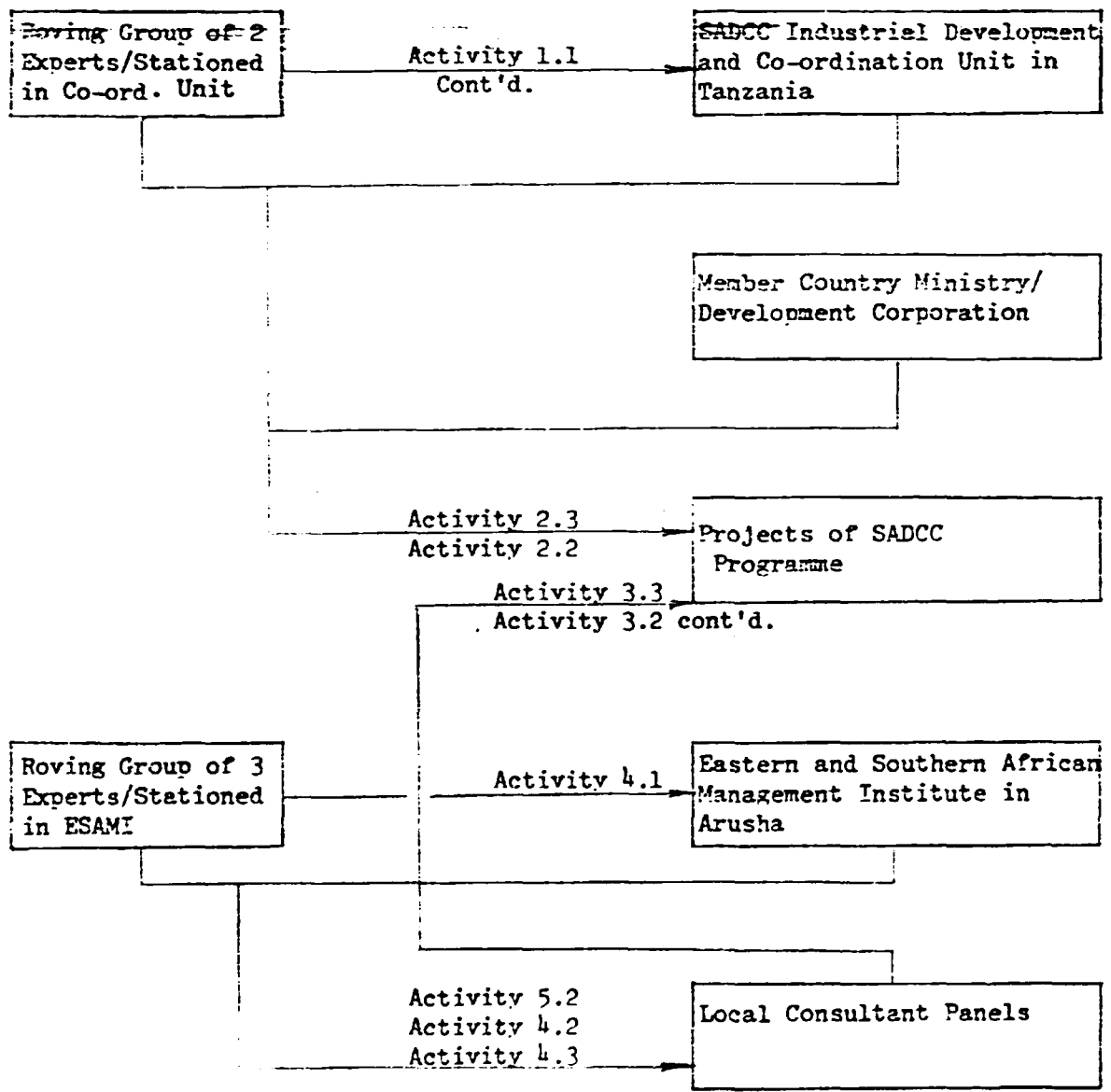
STAGE II

ASSISTANCE IN PRE-INVESTMENT AND PROJECT STAGES
(2nd and 3rd Quarters: 6 months)



STAGE III

ASSISTANCE IN PROJECT AND OPERATIONAL STAGES
(Last 4 Quarters: 12 months)



BACKGROUND OF

THE EASTERN AND SOUTHERN AFRICAN MANAGEMENT INSTITUTE

AT ARUSHA, TANZANIA

With emphasis on development through the mobilization of human and material resources, aimed at planned economic growth and equitable income distribution, new organisational structures have been created. In many cases, problems have occurred in the course of their operations because of lack of skilled human resources and experience. In order to ensure proper functioning of the economy with less cost and greater efficiency, training institutions in management development, business education, public administration, marketing, etc. have been created. They have also been designed to obviate the need to send personnel overseas for training and to ensure that the content and orientation of courses and programmes are responsive to expressed needs. However, the gap between the demand for, and supply of skilled indigenous consultants/managers has not been bridged particularly in the fields of industrial/construction consultancy and industrial/production management. This is partly because of the expanding/developing of the national economies which now lay greater emphasis on industrialisation programmes but also because of lack of managerial expertise in many of the newer techniques and tools of industrial consultancy and management. This situation certainly prevails in the Eastern and Southern African sub-region.

When the East African Community was created in 1967, it soon became clear that large Corporations of this Community as well as newly created Secretariats, required the services of a training, research and Consultancy institution to act as an in-house resource so as to enable these organisations to operate with maximum effectiveness. It was envisaged that in addition to this need continuing in the years ahead, similar needs would be generated when new cooperation organisations and enterprises

created under the Preferential Trade Area now being negotiated for Eastern and Southern African sub-region.

Thus, it was with UNDP assistance, that the former East African Community Management Institute (EACMI) was created in 1975 to "promote and maintain high efficiency and performance in the Community's public corporations and their subsidiary companies, the General Fund Services, the Central Secretariat and other similar institutions." EACMI was entrusted with "attending to the training, on-the-job development and organisation tasks of the senior level staff, as well as conducting of consultancy and research programmes relevant to the needs of these varied client systems."

With generous financial grants by the Danish International Development Authority (DANIDA) and other donors, EACMI was able to put up its own building, including students and staff residential accommodation, other institutional facilities and instructional aids.

UNDP (in association with the ILO) through projects RAF/68/109 East African Railways and Harbours Training and Development, RAF/74/017 and RAF/76/028 Assistance to the then EACMI provided technical assistance (Experts, Fellowships, Equipments) for the purpose of training senior staff, introduction of system-wide organisational development programmes and carrying out research and consultancy services in the management skills.

EACMI was successfully established, and with UNDP assistance, various regional, country and tailor-made training

courses in key management areas were conducted. Consultancy services in a few areas were carried out. However, no corresponding developments in the field of research have taken place due to lack of research facilities, funding and personnel.

With the collapse of the East African Community in 1977, the major clients of the Institute, i.e. the Community Corporations ceased to be the joint clients and users of the Institute's programmes and a diversified clientele took their place. Although some consultancy assignments have been carried out, more emphasis was laid on training programmes (teaching courses) including the introduction of a long-term professional level programme leading to a Post-Graduate Diploma in Management having components in the subject areas of Financial Management, Personnel Management, Management Services and Transportation Management. Despite the collapse of the East African Community, however, the importance of the Institute to the various governmental and public sector organisations in the three former partner states (Tanzania, Kenya, Uganda) enabled it to continue to survive as a three-nation institution, which continued to receive support from and to serve Kenya, Tanzania and Uganda.

The training programmes of the East African Management Institute (EAMI as renamed after the collapse of the Community) had always been open to participants from other countries in the Eastern and Southern African Sub-region. In 1976, it was decided to pursue the idea of widening the membership of the Institute to include all the 17 countries from this sub-

region. Whilst pursuing this proposal with the support of the United Nations Economic Commission for Africa (UNECA) and the Organisation of African Unity (OAU), the Institute offered top Executive Management Programmes to an increasing number of participants from all over the sub-region. The conduct of such programmes has brought the advantages of the Institute to the attention of these countries and this has had the effect of furthering the transformation of EAMI into a sub-regional institution, to the extent that the Agreement Establishing the Eastern and Southern African Management Institute (ESAMI) was adopted and signed at the Meeting of Plenipotentiaries held in Arusha on 28th February 1980.

A major factor in the attraction of ESAMI for the new member states and for the original Sponsoring States is that it provides services in most areas vital to economic and social development which are not provided by either national or other regional institutions in Africa. Its programmes cater to the needs of both individuals and organisations in such vital areas as transportation, management services, health administration, project planning and management and human resources management. These programmes are not undertaken by other institutions at executive level so that the uniqueness of the Institute is recognised.

In order to cope with its anticipated responsibilities, the Institute underwent a major reorganisation in 1978 and created five substantive divisions viz. Human Resources; Management Sciences; Project Planning; Transport Management; and Financial Management. All divisions are headed by African

staff. During 1978-79, UNDP Project staff were attached to Financial Management, Project Planning, Human Resources and Transport Management divisions. The Commonwealth Fund for Technical Cooperation (CFTC) also provided three experts (during 1979-80) in the fields of Industrial Management, Financial Management and Training Techniques. During the same year, the Overseas Development Ministry of the United Kingdom provided two experts in the fields of Financial Management and Materials Management. The Economic Development Institute of the World Bank (EDI) has been cooperating with ESAMI in the field of project planning and Transport Project Planning. More assistance is envisaged in these fields. Cooperation with UNCTAD/ITC and other UN agencies as well as with bilateral and multi-lateral organisations is expected to continue.

ESAMI has now plans to concentrate its training, research and consultancy services in a few priority areas. Because of the pressing needs in the fields of transport management and financial management and the role ESAMI can play in helping to realise the objectives of the Transport and Communication Decade for Africa 1978-1988, UNDP, through Project RAF/80/005/A/01/51, has recently provided technical assistance (Experts, Fellowships, Equipment) for 2 years 1980-82 in the fields of Transport Management and Financial Management.

ESAMI now plans to concentrate on another vital priority area of development of indigenous industrial/construction consultancy and industrial/production management. As the only institution in the sub-region which can provide specialised

services of the kind to be provided in its planned programmes, especially in the fields of industrial consultancy and industrial/production management, its contribution can be of significant importance. In view of the ambitious industrialisation plans launched by the countries in the region, there are pressing needs for sophisticated courses/workshops/seminars to develop the fields of indigenous industrial consultancy skills and process of consulting for the large number of indigenous consultancy organisations which now operate in each country in the sub-region. Such sophisticated courses/workshops/seminars will help develop high-quality consultancy manual to facilitate the growth and high-quality of services of such consultancy organisations. This is especially crucial in the areas of industrial/construction management. It is therefore envisaged that sophisticated courses/workshops/seminars, a high-quality Consultancy manual and effective follow-up should go a long way in improving the quality of industrial/construction organisations within the sub-region. ESAMI has already taken a major step forward by organising two workshops on consultancy skills for indigenous Consulting Organisations in the sub-region in 1980 and plans have been finalised for two more workshops during 1981. Similarly, sophisticated corporate Industrial Management courses/seminars and production Management courses have been organised by ESAMI during 1980 and 1981 for top executives of industrial organisations from the countries of the sub-region.

Notwithstanding this concentration of efforts in a few priority areas, the ESAMI will endeavour to respond to urgent

training and consultancy needs of its clientele, particularly those of the newer and newly independent member States.

BACKGROUND OF THE
PETROLEUM DEVELOPMENT CENTRE
AT N'GUNZA, ANGOLA

1

Deposits of petroleum were discovered in Angola at the beginning of this century but commercial exploitation of these deposits only began half a century later. The production of crude oil developed rapidly in the 1950s and in 1972 annual production reached eight million tons. An oil refinery, with three generating units constructed in 1963, 1969 and 1973, has been able to meet most of the country's needs for refined products.

During the Angolan wars of independence industrial activities in the country were partially disrupted but oil production continued, though at a lower level than in the previous years. In 1980 annual production again reached eight million tons and is expected to increase to fifteen million tons by 1985. An expansion of the refinery may be carried out in the 1981-85 plan period.

The Government of Angola places great emphasis on the development of the oil industry which, in the coming years, will continue to provide the major share of foreign exchange. The sector is dominated by foreign companies of which three (Gulf, Texaco and Petrangol) at present provide the total output. The national oil company, Sonangol, which owns a minimum of 51 per cent of all exploration ventures, has concluded agreements with a number of new companies, some of which have already begun exploration.

In view of the foreign dominance of the oil industry, the Government has emphasised the need to increase national participation in the sector by gradually providing Angolans to take over jobs held by foreign personnel. It is the Government's intention that by 1985 50 per cent of all personnel in the sector should be Angolan.

To achieve the above objective, a massive effort in relation to training of manpower is required. Amongst actions taken by the Government is the establishment of the Central School of Petroleum (Escola Central de Petroleos) in N'Gunza, which will initially provide training courses for personnel at operator level. At a later stage, it is intended that the school will receive students at a more advanced level (technicians).

Indeed, during the years 1979 to 1982 UNIDO assistance to ECP has made possible the realisation of a great number of different activities, mainly but not only, in the field of training for the petroleum industry. At present these comprise:

- courses for oil production operators.
- courses for external refinery operators
- courses for chemistry laboratory operators
- courses for mechanical fitters
- courses for automotive mechanics
- courses for oil storage and terminal operators
- courses for safety and fire-fighting operators
- assistance during on site training stages
- courses of training procedure for Angolan instructors
- courses in information systems
- training of ECP personnel in electrical, hydraulic and mechanical maintenance
- courses for auditors
- selection of trainees
- production of training software for practical stages
- study and analysis of didactic problems
- training in educational planning
- organisation of secretarial training in the ECP
- organisation of activities in the ECP library
- organisation and planning of maintenance activities
- selection, training and coaching of ECP management personnel
- development of operational links between ECP and the oil companies
- technical support services to local authorities and to national ministries

In this way, the ECP has increasingly been taking on functions of regional interest and developing into an industrial service centre for the whole area.

In order to consolidate new regional activities and functions, and make them of use to interested SADCC countries, a new project has been envisaged to take place during the years 1983 to 1986 as a new UNDP/UNIDO programme.

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 - ii) a) Production of Synthetic Yarn
b) Manufacture of Synthetic Fibre
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 1. Production of Textile Chemicals
 2. Formulation of Pesticides and Insecticides
5. SADCC Industrial Co-operation Projects: September 1982
Demand Analysis and Production of Farm Implements
6. SADCC Industrial Co-operation Projects: September 1982
Demand Analysis and Production of Tractors and Components
7. SADCC Industrial Co-operation Projects, Arusha, September 1982
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Foreign Investment Policy and Mechanisms
9. SADCC Energy Projects

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Project for the SADCC^{1/} sub-regionDRAFT PROJECT DOCUMENT

Title: Development of Management and Consultancy Capabilities for the SADCC Programme Implementation Duration: 2 years

Number:

Primary Function: Industrial Development

Secondary Function: Factory Establishment and Strengthening of Project Management

Special Considerations: ECDC, TCDC, Institutional Twinning, Industrial Development Decade for Africa, LDCs, Basic Industry

Sector: (ACC class and code) _____

Sub-sector: (ACC class and code) _____

Government Implementing Agency: The SADCC

Executing Agent: UNIDO/FCTY

Estimated Starting Date: 1983

Project Site: Dar-es-Salaam
Tanzania

Government Inputs:

UNDP Inputs: US\$891,000

This project document and its annexes constitute the agreement amongst the signatories.

Signed:

Agreed on behalf of SADCC

Date

Agreed on behalf of UNIDO

Date

Agreed on behalf of UNDP

Date

^{1/} Southern African Development Co-ordination Conference, member countries: Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, Zimbabwe.

FACT SHEET

The Southern African Development Co-ordination Conference (SADCC) that was established by the nine Member States at their first summit of Head of State and Government in Lusaka, April 1980 setting out its basic goals of reduction of external dependence, especially that on the Republic of South Africa, creation of regional integration, mobilization of domestic and regional resources to reduce dependence and build regional co-ordination and joint action for international understanding and support; held, in the short period of two and a half years after Lusaka, a series of annual summits, mid-year council of Ministers meetings and annual conferences, formulating an action plan, sectoral programmes and mobilizing resources for their implementation.

In the sector of industrial development, on the basis of a paper prepared by Tanzania, the co-ordinating country for the sector, a practical implementation programme where 33 projects for implementation and 21 for further study (Annex I) in 17 project lines, falling into 11 industrial sub-sectors was selected. This first set of projects, approved by the SADCC Industry Ministers' Meeting, Arusha, Sept. 1982, is expected to be presented at the Maseru annual conference, Jan. 1983.

This project aims at supporting the SADCC industrial development programme by development of management and consultancy capabilities that are crucial for the successful implementation of the SADCC projects. Through ECDC/TCDC and institutional twinning arrangements, thus complementing and facilitating programme implementation. The project lays emphasis on securing effective co-ordination in programme implementation at the regional level, co-ordination and management of projects and enterprises at the national level, efficient management at the enterprise levels, including development of consultancy services in the region.

The activities of the proposed project consist of development of procedures for co-ordination and systems for management, monitoring, reporting and evaluation in the project implementation stages for

expansion and establishment of manufacturing capacities; and for optimal capacity utilization and overall performance of enterprises in the operational stages; and development of organized diagnostic and remedial consultancy services. These activities are planned through programmes of on-the-job development of personnel and organization of courses, consultative meetings and consultancy services in three stages of co-ordinated project implementation (Annex II) among the key agencies responsible for co-ordination and implementation of the SADCC programme: the SADCC Co-ordination Unit, the regional management institute and the national projects including local consultancy organizations/panels for the development of management and consultancy capabilities in the region. The institutional framework is indicated in Annex III.

The project inputs comprise of 3 long-term experts for 2 years, in general industrial management; production management and financial management; and short-term consultants for 24 man months, together with provisions for expert travel, short-term in-service training courses, study tours, and support administrative personnel.

The duration of the project is 2 years (1983-1984) with a total estimated budget of US\$891,000 with a break-up of US\$766,000 for personnel, 50,000 for in-service training and study tours and 55,000 for equipment.

The present draft project document can be further elaborated in detail at the appropriate time.

PART 1 - JUSTIFICATION OF THE PROJECT

1.1 Definition of SADCC Development Objective and Strategy

The development objective of the SADCC industrial development programme in the region is to meet the basic needs of the people, to promote core industries that provide inputs to basic need industry, to ensure harmonization of industrial growth in a rational and integrated manner, to promote regional trade linked to industrial production and to forge self-reliance towards economic liberation through co-operation.

To realize the above objective the SADCC adopted a strategy based on complementarity among the member countries. It perceives increased production as central to industrial development. It gives priority to developing a co-ordinated approach to establish and expand capacity in key industrial sub-sectors.

1.2 Contribution of the Project to achieve the SADCC Development Objective

In order to realize the increased production that is central to industrial development and to make possible the co-ordinated effort to achieve the increased production with priorities on expansion and establishment of capacity, in a major programme of implementing more than 30 projects in about 11 sub-sectors, considerable industrial management and consultancy capabilities are required. These have to be developed within the region to reduce external dependence and to enable operations in the context of SADCC member states. The development of such capabilities has to be inducted into the programme right along with the implementation of the projects.

The proposed project is expected to contribute to the development of management and consultancy capabilities in the SADCC region through a scheme in three stages of co-ordination of activities (Annex II) directly related to the implementation of the projects, among the SADCC co-ordinating unit, member government agencies, the industrial enterprises resulting from the projects and the regional institution of management, and local consultants.

Some specific areas related to the implementation of the projects, pointing to the urgent need for the development of management and consultancy capabilities are given below.

1.2.1 Preparation of Feasibility and Project Studies

About 21 feasibility studies and project studies are scheduled (Annex I). Some of the feasibility studies are estimated to cost up to US\$500,000. It is to be co-ordinated and organized so as to develop relevant capabilities in local personnel by involving them in the preparation of such studies when they are commissioned to outside agencies. Some of the studies and parts of the externally commissioned could be prepared by national agencies together with the regional management institute through the provisions of the proposed project. This would result in considerable reduction in the cost of preparatory work in the implementation of the programme and also enable the necessary consultancy capabilities to be developed for future.

1.2.2 Project Management

The activities related to project management in the process of implementing the 33 projects (Annex I) is considerable. Apart from streamlining the mechanisms for co-ordination of investment and aid, regulation of licensing and establishment of enterprises, the project management at the enterprise level is of particular importance especially in meeting the time schedules and budgets. Delays in project activities and essential elements being not taken into consideration have resulted in expensive cost over-runs and increased fees to external consultants^{1/}. The proposed project aims at developing the project management consultancy capabilities and direct provision of such inputs where required.

1.2.3 Management for overall performance of enterprises

In the implementation of the identified 33 projects involving expansion of capacities and establishment of new capacities, the overall performance of the enterprises in meeting the planned production targets and returns is of paramount importance. Considerable skills in financial and production management are required. Many of the existing works suffer from low capacity utilization and low added value. The proposed project envisages development of the managerial skills through provision and development of consultancy capabilities.

^{1/} Example: Mufundi Pulp and Paper Project, Tanzania - cost over-run of about 30% of budget estimates (from US\$252 million to 328 million) over a 3 year period. Increase in fees to external consultants 12 million dollars.
Source: Item 7 Bibliography, Annex IV.

PART 2 - MAIN ELEMENTS OF THE PROJECT

2.1 Project Immediate Objectives

2.1.1. To implement an overall system of co-ordination in the expansion and establishment of manufacturing capacities from the preparatory to the operational stages, through appropriate industrial management; by providing assistance to the SADCC Industrial Development and Co-ordination Unit located in Tanzania.

2.1.2. To establish a general methodology and system of co-ordination and management, including consistent application of policies and regulations within the framework of national policies, in the expansion and establishment of manufacturing capacities, from the investment and project stages to the operational stages, through appropriate industrial management; by providing assistance to the SADCC member state ministries/industrial development corporations.

2.1.3. To render assistance to the industrial enterprises, resulting from the projects in the programme, in their expansion and establishment, from project stage to operational stages, through development of management and consultancy capabilities in the SADCC region, based on ECDC/TCDC and institutional twinning arrangements.

2.1.4. To strengthen the existing Eastern and Southern African Management Institute, at Arusha, Tanzania, to enable it to:

- a) develop management and consultancy capabilities in the SADCC region and
- b) provide assistance to the SADCC projects directly or through national organizations.

2.2 Outputs Needed to Achieve the Objectives

2.2.1. A well established co-ordination team at the SADCC Industrial Development and Co-ordination Unit, located in Tanzania, for successful implementation of the programme.

2.2.2. Co-ordination teams in all the nine member state ministries/ development corporations with well established co-ordination, management, monitoring and internal reporting systems, which will include:

- a) General policy and procedures for new project implementation for expansion/establishment of capacities; monitoring, management and reporting.
- b) Financial and productivity monitoring systems and procedures for evaluation of performance of enterprises, reporting.
- c) System for co-ordination and linkages with enterprises, between enterprises and other government agencies, overseas organizations, and among enterprises in the countries of the SADCC region.
- d) General procedures and planned programmes of diagnostic and remedial consultancy, within each country and among countries of SADCC region.
- e) Planned programme for management staff development.

2.2.3. Well equipped management teams in the enterprises, with established production and financial management systems; and adequately developed consultancy services in the region, which will include:

- a) project implementation management for expansion/establishment of capacities, project control systems, to meet the time schedules and budgets; reporting.
- b) developed, introduced and implemented specific management systems for financial, production, management, maintenance, quality control etc., for optimum capacity utilization in the operational stages of enterprises, reporting.
- c) planned programme for diagnostic and remedial consultancy.

2.2.4. Trained staff in the Eastern and Southern African Management Institute (ESAMI) in the areas of project management, financial and production management and organized courses, and seminars for development and provision of management and consultancy capabilities.

2.2.5. Adequately developed and functioning consultancy organizations or panels of consultants in the SADCC member countries for provision of diagnostic and remedial consultancy services to SADCC projects in their expansion/ establishment and operations; as well as to government agencies.

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

2.3 PROJECT WORK PLAN

Project Title: Development of Industrial Management and Consultancy Capabilities for the SADCC Programme Implementation.

Project Number:

Work Plan/Revision Number:

Date Proposed: January 1983 **To Be Revised on:**

For Period from 1983 **to** 1984

Description	Staff Responsibility		1983												1984			
	SADCC	Ex. Agency	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4
															Q	Q	Q	Q
<p>Output 1: Established co-ordination team in the SADCC co-ordination Unit.</p> <p>Activity 1.1: On the job counterpart development in:</p> <ul style="list-style-type: none"> -Collection and analysis of data on existing capacities, co-ordination of new capacities related to 21 projects for study. -Analysis of feasibility studies and sectoral and project studies related to 21 projects for study. -Provision of guidance to member state ministries in negotiations with foreign firms and establishment of enterprises (in relation to 33 projects for implementation). -Co-ordination with enterprises in raw material, capacity utilization and production (related to 33 projects). 	<p>Four(4) Counter- parts in total for Output 1</p> <p>+ Support Staff</p>	<p>2 Experts in total for Output 1</p>																

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Description	Staff Responsibility		1983												1984			
	SADCC	Ex. Agency	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4
															Q	Q	Q	Q
Activity 1.2: Organization of short-term courses by The ESAMI for staff of Unit.																		
Activity 1.3: Organization of periodic consultative working group meetings among staff of Unit and staff of ministries/development corp.; by the Unit, for co-ordination of project implementation.																		
Activity 1.4: Establishment of mini-computer for data processing in the Unit.	1 Counter Part + Staff	1 Consultant																
Output 2: Co-ordination teams in SADCC member state Ministries/Development Corp.	18 Counter Parts + Support Staff	(Same Experts as in Output 1 and in Output 4 would travel to member countries)																
Activity 2.1: On the job development of counter parts in application of policies and streamlining mechanisms for investment; establishment and operation of enterprises, development of management, monitoring reporting systems (33 projects for impl. + 21 for study).		+ consultants																

United Nations Development Programme

Description	Staff Responsibility		1983												1984				
	SADCC	Ex. Agency	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	
															Q	Q	Q	Q	
Activity 2.2: Organization of short term courses for staff of ministries/development corp. of member states by ESAMI.																			
Activity 2.3: Organization of periodic implementation meetings among staff of ministries/development corps. and the managers of projects/enterprises; by the staff of ministries/development corps.																			
Output 3: Management teams consisting of 1 to 3 managers from each of 33 projects.	Counterpart Managers from projects.	Same Ex-perts as in Output 1, Output 4 would travel to enterprises. + consultants																	
Activity 3.1: On the job training of managers by ESAMI, in project management, financial, production, maintenance management, Q.C.																			
Activity 3.2: Organization of periodic short term courses in general, financial and production management to managers by ESAMI.																			
Activity 3.3: Organization of consultative group meetings among managers and consultant panels for diagnostic and remedial measures.																			

United Nations Development Programme

Description	Staff Responsibility		1983												1984					
	SADCC	Ex. Agency	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4		
Output 4: Trained staff members in ESAMI.	4 Counter Parts ESAMI	2 Experts + consultants																		
Activity 4.1: On the job development of counterparts in the areas of project, financial, production management and industrial consultancy for development of consultancy services.																				
Activity 4.2: Organization of short-term courses to panels of consultants in diagnostic and remedial consultancy.																				
Activity 4.3: Organization of periodic consultative group meetings among staff of ESAMI and national consultant panels.																				
Output 5: Consultancy organizations, panels of consultants in member countries.	Same experts as in Output 4.																			
Activity 5.1: Identification of national consultants/firms and formation of panels.																				
Activity 5.2: Induction of panels into provision of consultancy services to enterprises and governments.																				

2.4 Inputs Needed to Carry Out the Work Plan

2.4.1 SADCC Inputs

The SADCC Industrial Development and co-ordination unit located in Tanzania will be the institutional base for the proposed project, its staff will be the counterparts to the internationally recruited experts. SADCC will provide, according to the existing organization of the Unit, 4 senior staff members including the chief co-ordinator; 2 staff members for data processing, necessary administrative support staff; office space for internationally recruited staff, including a conference room; non-expendable office equipment and expendable office supplies. SADCC will identify 2 senior staff from each of the member state ministries/development corporations as corresponding counterparts. SADCC will also identify 1 to 3 managers from each of the 33 projects as corresponding counterparts.

2.4.2 ESAMI Inputs

In the Eastern and Southern African Management Institute, part of the internationally recruited experts (1) would be stationed for a major part of time.

ESAMI will provide 4 senior staff members including co-ordinator, necessary administrative support staff; office space for internationally recruited experts including a meeting room; non-expendable office equipment and expendable office supplies.

2.4.3 UNIDO Inputs

2.4.3.1 Personnel

10. Internationally Recruited Experts
Attached to the Co-ordination Unit

Duration

11-01 Chief Technical Adviser/Team Leader

24 m/m

General Management expert with extensive experience in successful co-ordination, organization and management in the implementation of major long term industrial development programmes at corporate/national level in an environment of a developing economy, with a wide background in policy and regulation, their application, and management systems.

Attached to the ESAMI

Duration

11-02 Expert in Financial Management

24 m/m

An expert with extensive experience in financial management including cost accounting management systems budget, control, monitoring at factory and corporate levels and in consultancy.

11-03 Expert in Production Management

24 m/m

An expert with extensive experience in project and production management, systems, in-depth diagnostic activities, productivity, quality control, maintenance at factory, corporate levels and in management development and consultancy.

11-50 Short-term Consultants to serve both at co-ordination Unit and ESAMI.

24 m/m

Consultants in specific areas as the need arises in course of project implementation. Possible areas: computer softwares; marketing and trade; textiles, farm implements and tractors, electrical transmission and distribution equipment products and applications.

Support Personnel - Secretary, typist, driver, messenger, one each in the Co-ordination Unit and ESAMI.

192 m/m

2.4.3.2. Experts Travel Costs

2.4.3.3. Training

Study Tours

For senior managers to gain first hand experience in other developing countries.

Inservice Training

2.4.3.3. Equipment

Mini-computer for data processing in the
co-ordination unit, including software;
2 cars, 1 copying machine.



PROJECT BUDGET/REVISION

PART 3 - UNDP INPUTS

UNIDO

3. COUNTRY SADCC Region	4. PROJECT NUMBER AND AMEND.	5. SPECIFIC ACTIVITY
10. PROJECT TITLE Development of Management and Consultancy Capabilities for the SADCC Programme Implementation		

15. 10.	PROJECT PERSONNEL EXPERTS / Post title	16. TOTAL		17. 1983		18. 1984		19.		20.	
		m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
11-01	Chief Technical Adviser/Team Leader	24	174,000	12	87,000	12	87,000				
02	Expert in Financial Mgt.	24	174,000	12	87,000	12	87,000				
03	Expert in Production Mgt.	24	174,000	12	87,000	12	87,000				
04											
51	Consultant/Computer Software	6	43,500	6	43,500						
52	Consultant/Marketing, Trade	6	43,500	3	21,750	3	21,750				
53	Consultant/unassigned	3	21,750	3	21,750						
54	Consultant/unassigned	3	21,750			3	21,750				
55	Consultant/unassigned	3	21,750			3	21,750				
56	Consultant/unassigned	3	21,750			3	21,750				
11-99	SUBTOTAL:		696,000		348,000		348,000				

21. REMARKS



UNIDO

PROJECT BUDGET/REVISION

2. PAD NUMBER

4. PROJECT NUMBER	16. TOTAL		17. 1983		18. 1984		19.		20.	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
12.01 OPAS Experts										
13.00 Support Personnel	192	40,000	96	20,000	96	20,000				
14.00 Volunteers										
15.00 Experts Travel		30,000		15,000		15,000				
16.00 Other Personnel Costs										
17.01 Locally hired Experts										
17.02 Locally hired Experts										
19.00 Total Personnel Component		766,000		383,000		383,000				
20. SUBCONTRACTS										
29.00 Total Subcontracts Component										
30. TRAINING										
31.00 Fellowships										
32.00 Study Tours, UNDP G. Training/Meetings		25,000		15,000		10,000				
33.00 In-service Training		25,000		10,000		15,000				
34.00 Group Training (non-UNDP)										
35.00 Meetings/Consultations (non-UNDP)										
39.00 Total Training Component		50,000		25,000		25,000				
40. EQUIPMENT										
49.00 Total Equipment Component		55,000		55,000						
50. MISCELLANEOUS										
51.00 Operations — Maintenance		5,000		2,500		2,500				
52.00 Reports		10,000		5,000		5,000				
53.00 Sundries		5,000		3,000		2,000				
55.00 Hospitality (non-UNDP)										
59.00 Total Miscellaneous Component		20,000		10,500		9,500				
99. GRAND TOTAL:		891,000		473,500		417,500				

MEETING AT MUSHA. 8TH AND 9TH SEPTEMBER, 1992

(a) <u>Salt</u>	<u>Location</u>
<u>Projects for implementation</u>	
(i) Expansion of Salt works	NACALA, Mozambique
(ii) Expansion of Salt work	Maputo, Mozambique
(iii) Development of Salt works	Saiani, Kitame, Changwela (Tanzania)
(iv) Expansion of Salt works	Uvinza, Tanzania
(v) Iodisation plant	Tanzania
(vi) Small Scale refining plants	Botswana/Lesotho
<u>Projects for Studies</u>	
(i) Upgrading of existing Salt works	Angola
(ii) Development of Salt works	Lindi/Mtwara, Tanzania
(iii) Expansion of Salt works	Manbone, Mozambique
(iv) Development of Salt works	Kazangula, Zambia
(b) <u>Textiles (Synthetic/Blended)</u>	
<u>Projects for implementation</u>	
(i) Knitting Units	all nine countries
(ii) Power looms	Botswana, Tanzania, Lesotho, Swaziland, Zambia, Malawi.
(iii) Polyester Yarn	Tanzania, Mozambique, Zambia.
(iv) P.O.Y. extrusion Plant	Zimbabwe.
<u>Projects for Studies</u>	
(i) Polyester Polymerisation and PE Staple	Zambia
(ii) Petro-chemical complex	Angola

The meeting directed that the scope of the Petro-Chemical Complex Study promoted under the SADC Energy Co-ordination work programme should be investigated with the view to avoiding duplication. -

(c) Wool and MohairProjects for Implementation

- | | |
|------------------------------|----------|
| (i) Wool scouring | Lesotho |
| (ii) Wool Spinning expansion | Botswana |
| (iii) Blankets | Zimbabwe |

Projects for Studies

- | | |
|--------------------|----------|
| Buttons from horns | Botswana |
|--------------------|----------|

(d) Textile ChemicalsProjects for Implementation

- | | |
|-----------------------------------|----------------------------------------------------|
| (i) Basic Textile Chemicals | Angola, Zambia, Zimbabwe,
Tanzania, Mozambique. |
| (ii) Textile Processing Chemicals | Angola, Zambia, Zimbabwe,
Mozambique |

(e) Pesticides and InsecticidesProjects for Studies

- | | |
|---------------------------|--------------------------------------------|
| (i) Upgradation/expansion | All SADC Countries |
| (ii) Medium/Small Units | Malawi, Swaziland,
Tanzania
Zimbabwe |

(f) FertilizersProjects for Implementation

- | | |
|--------------------------------------------------------|-------------------|
| (i) Ammonium nitrate/Calcium
Ammonium nitrate plant | Malawi |
| (ii) Rehabilitation of Matola Plant | Mozambique |
| (iii) Ammonia urea project | Pande, Mozambique |
| (iv) Phosphate fertilizers plant | Zimbabwe. |

Projects for Studies

- | | |
|-------------------------------------------------------------------------------------------------------|--------------|
| Study on the market for fertilizers
and draw-up an intergrated production
plan for SADC Region. | SADC Region. |
|-------------------------------------------------------------------------------------------------------|--------------|

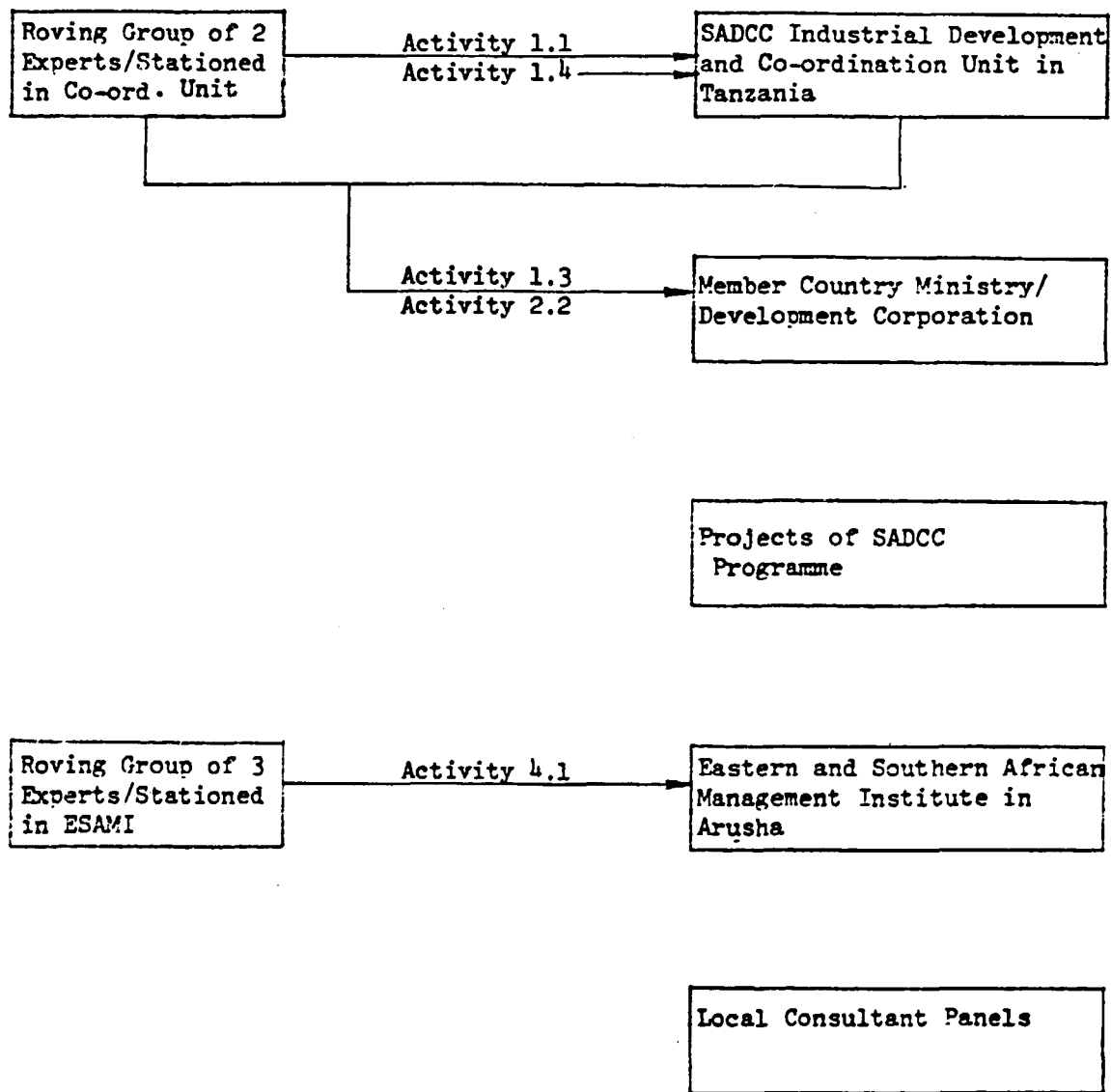
(g) Farm Implements

- | | |
|--------------------------------------------------------------------------------------|---------------------------------------------------------|
| (i) Expansion of Farm Implements
Factory | Zambia |
| (ii) Expansion of Special Steel
and billet casting factory
for farm implements | Zimbabwe |
| (iii) Small Scale Plants | Zambia, Malawi, Tanzania,
Angola, Lesotho, Botswana. |
| (iv) Artisan Units | Lesotho, Botswana/Tanzania. |

<u>Projects for Studies</u>	
Rationalization and Development of Farm Implements testing design etc.	SADCC Region
(h) <u>Tractors and Tractor Components</u>	
<u>Projects for Implementation:</u>	
Tractor assembly leading to manufacturing	Swaziland/Tanzania
<u>Projects for Studies</u>	
(i) Tractor Assembly leading to manufacturing	Zambia
(ii) Rationalization of Tractor Production	SADCC Region
(iii) Study for Tractor component manufacture from existing capacities	SADCC Region
(i) <u>Cement</u>	
<u>Projects for Implementation</u>	
(i) Rehabilitation of Cement Project	Mozambique
(ii) Cement products	
(a) Cement asbestos pipes	
(b) Cement asbestos sheets	Mozambique
<u>Projects for Studies</u>	
(i) Study of Rehabilitation of Existing Units	Malawi/Tanzania Zambia
(ii) Study on alternative use of cement products	All SADCC Countries
(j) <u>Pulp and Paper</u>	
<u>Projects for Implementation</u>	
(i) Implementation of existing Pulp and Paper Projects	Tanzania/Zambia Mozambique
(ii) Board and Paper Mill	Zimbabwe
(iii) Paper Mill	Zimbabwe
<u>Projects for Studies</u>	
(i) Paper Mills	Swaziland/Angola
(ii) Pulp and Paper	Mozambique
(iii) Chemicals for Pulp and Paper	All SADCC Countries
(iv) Demand Study of Pulp and Paper and an integrated plan for production	All SADCC Countries
(k) <u>Electrical Supply and Distribution Equipments</u>	
<u>Projects for Implementation</u>	

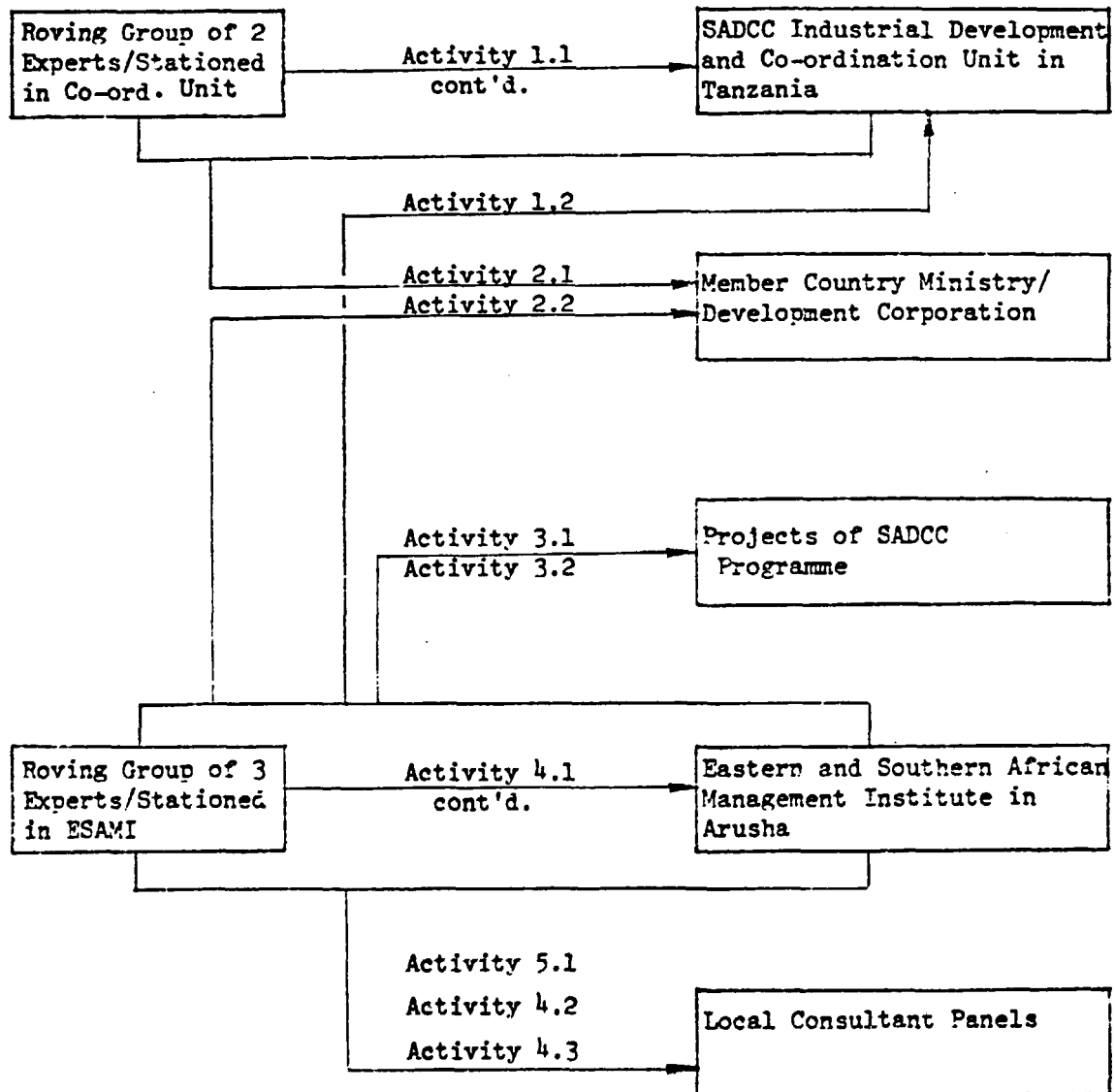
STAGE I

ASSISTANCE IN PREPARATORY AND PRE-INVESTMENT STAGES
(1st and 2nd Quarters: 6 months)



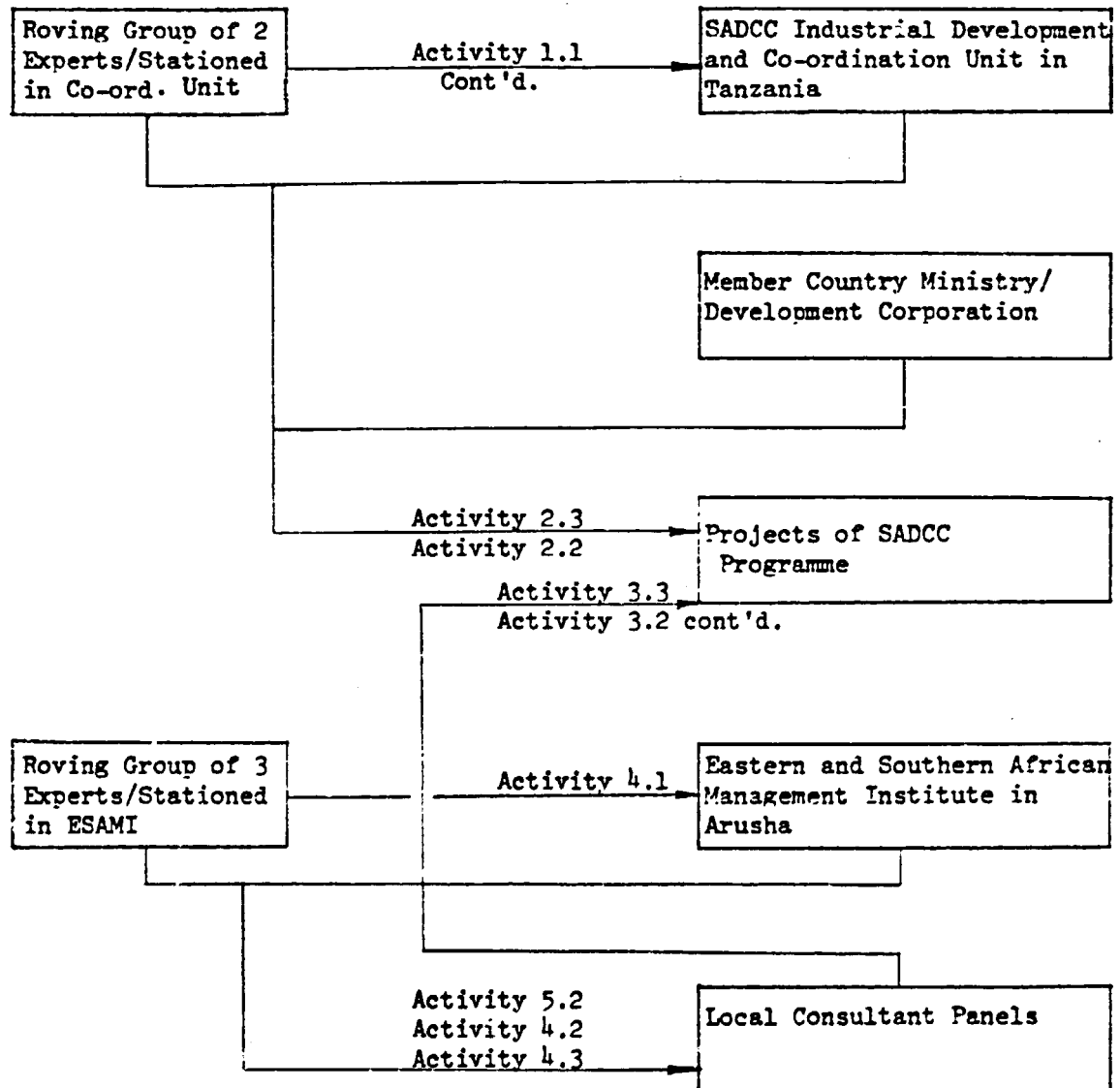
STAGE II

ASSISTANCE IN PRE-INVESTMENT AND PROJECT STAGES
(2nd and 3rd Quarters: 6 months)



STAGE III

ASSISTANCE IN PROJECT AND OPERATIONAL STAGES
(Last 4 Quarters: 12 months)



INSTITUTIONAL FRAMEWORK

The SADCC Industrial Development and Co-ordination Unit established in the Ministry of Industry in Tanzania, the co-ordinating country for the industrial development programme shall be the base of operation for the proposed project. According to the authority delegated to the Unit by the SADCC sub-committee on Industrial Development, the project policy shall be directed by the Unit. The activities and work plan shall be prepared by the Chief Technical Adviser with his team of experts in consultation with the Unit. The implementation of proposed project activities shall be in accordance with the agreed final work programme and plan.

The ESAMI, where part of the internationally recruited experts group would spend major share of their time, shall be the supporting institution. The final work programme of the experts shall be drawn by the Chief Technical Adviser in consultation with the Unit and ESAMI, subject to approval by the Unit.

BIBLIOGRAPHY

Major Documents and Reports
SADCC Documents and Reports

1. SADCC: Maseru, Overview
2. SADCC Industrial Co-operation Projects. Production of Salt in the SADCC Region
3. SADCC Industrial Co-operation Projects: September 1982
 - i) Manufacture of Synthetic and Cotton Synthetic Blended Textiles
 - ii) a) Production of Synthetic Yarn
 - b) Manufacture of Synthetic Fibre
4. SADCC Industrial Co-operation Projects: September 1982
 1. Production of Textile Chemicals
 2. Formulation of Pesticides and Insecticides
5. SADCC Industrial Co-operation Projects: September 1982
Demand Analysis and Production of Farm Implements
6. SADCC Industrial Co-operation Projects: September 1982
Demand Analysis and Production of Tractors and Components
7. SADCC Industrial Co-operation Projects, Arusha, September 1982
Pulp and Paper
8. SADCC Industrial Co-operation Projects: September 1982
Foreign Investment Policy and Mechanisms

Project for the SADCC^{1/} sub-region

DRAFT PROJECT PROPOSAL

TITLE: Development of Energy Management
Capabilities for the Implementation
of the SADCC Energy Conservation and
Security Programme

DURATION: 3 years

NUMBER:

PRIMARY FUNCTION: Industrial/Energy Development

SECOND FUNCTION: Energy Management

SPECIAL CONSIDERATIONS: ECDC, TCDC, Institutional Twinning, Industrial
Development Decade for Africa, LDCS, Energy

SECTOR (ACC Class and Code)

SUB-SECTOR (ACC Class and Code)

GOVERNMENT IMPLEMENTING AGENCY: The SADCC

EXECUTING AGENTS: UNIDO, DTCD

ESTIMATED STARTING DATE: 1983

GOVERNMENT INPUTS:

PROJECT SITE: Luanda, Angola

UNDP INPUTS: US\$ 2,426,600

INPUT SHARING:

UNIDO: US\$ 1,958,600

DTCD: US\$ 468,000

^{1/} Southern African Development Co-ordination Conference,

Member Countries: Angola, Botswana, Lesotho, Malawi, Mozambique
Swaziland, Tanzania, Zambia, Zimbabwe

FACT SHEET

The Southern African Development Co-ordination Conference (SADCC) that was established by the nine Member States at their first summit of Head of State and Government in Lusaka, April 1980 setting out its basic goals of reduction of external dependence, especially that on the Republic of South Africa, creation of regional integration, mobilization of domestic and regional resources to reduce dependence and build regional co-ordination and joint action for international understanding and support; held, in the short period of two and a half years after Lusaka, a series of annual summits, mid-year council of Ministers meetings and annual conferences, formulating an action plan, sectoral programmes and mobilizing resources for their implementation.

In the sector of Energy Conservation and Security, on the basis of a paper "Towards an Energy Policy for Southern Africa", which was initially used to present a co-ordinated stand at the UN Conference on Energy Resources in Nairobi in 1981, and subsequently adopted by the Council of Ministers as a policy document, a regional energy programme is to be developed. Meetings of Energy Ministers and sectoral officials have been held to start defining areas of action and an administrative and technical unit has been created in the Ministry of Energy, Angola, the co-ordinating country for the sector, to service and work on further articulation of the programme. A study on the means of attaining self-sufficiency in the supply of petroleum products has been defined, terms of reference approved and negotiations towards securing international co-operation for its execution during 1983 begun. The Luanda Meeting of Energy Ministers in September 1982 approved an approach to defining a programme of action, guidelines for identifying projects to be included in it, projects in personnel development for consideration in that sector and certain initial project proposals in respect of electricity supply development (Zimbabwe-Mozambique) and fuel storage rehabilitation (Beira) have been approved for presentation at The Maseru annual conference in January 1983.

It has been decided^{1/} to establish the Southern African Energy Commission (SAEC) to promote rational utilization of various energy resources in the region, to promote the development of new sources of energy and to ensure participation of the SADCC member states in the definition of an energy policy for the region.

The establishment of a Regional Petroleum Development School has also been proposed to develop management and technical operative personnel in petroleum exploration and production to serve the regional energy projects.

The present project in general aims at supporting the SADCC Energy Conservation and Security programme by development of energy management capabilities for the successful implementation of the SADCC energy projects, through ECDC/TCDC and institutional twinning arrangements, thus complementing and facilitating the programme implementation. The project lays particular emphasis on an integrated approach of

- a) securing effective co-ordination, organization and management of the vast amount of work that is to be undertaken in the SADCC countries by the proposed Energy Commission and the Technical Unit towards the elaboration of a Master Plan for Energy Development in the region and for identification of energy projects in the region.
- b) development of management and operative personnel through the Regional Petroleum Development School, to implement and manage the projects.
- c) promoting the efficient utilization of energy through management and conservation measures, with emphasis on industry that is being developed, by establishing the necessary consultancy services through the Eastern and Southern African Management Institute.

The activities of the proposed project are essentially oriented to assist the key agencies, namely the Energy Commission and the Technical Unit in developing procedures, methodologies and systems in all their activities and on-the-job development of organizational and management capabilities; to render assistance to the Regional Petroleum Development School in the development of management and technical personnel and to assist the Eastern and Southern African Management Institute in establishing an energy management and conservation consultancy service to the industry.

The project inputs comprise of 4 long-term experts for 3 years in energy management and planning; petroleum exploration and refining; energy accountancy, utilization; and short-term consultants for 72 man-months, together with provisions for expert travel, study tours, and support personnel.

The duration of the project is 3 years (1983-1985) with a total estimated budget of US\$ 2,426,600, with a break-up of US\$ 1,776,600 personnel component,

^{1/} -/ Decisions of the SADCC Ministers' Meeting, Luanda, February 1982

US\$ 60,000 training component and US\$ 560,000 equipment component.

In view of the inputs related to petroleum exploration and production which fall within the purview and technical competence of DTCD, an input sharing to the tune of approximately US\$ 468,000 for provision by DTCD is suggested (this comprises of 1 expert on Petroleum exploration and production, 3 consultants and related travel).

The present project proposal can be further elaborated in detail at the appropriate time.

PART 1

JUSTIFICATION OF THE PROJECT

1.1 Definition of the SADCC Development objective and strategy

Within the SADCC policy frame work for attaining self-sufficiency in energy, the development objectives are to promote rational and integrated utilization of the various energy resources in the region, to promote the development and use of new sources of energy and define an energy policy for the region.

1.2 Contribution of the Project to achieve the SADCC Development objective

In order to promote the rational and integrated utilization of the energy resources and develop new resources in the region within a regional energy policy, considerable planning, co-ordination and energy management are required involving a great amount of work and activity with the participation of the member countries.

In supporting the SADCC Administrative and Technical Assistance Unit, the project contributes to the organization and co-ordination of the work that needs to be undertaken in the SADCC countries on the various energy resources, their utilization, conservation etc.

In the context of reducing external dependence for petroleum and attaining regional self-sufficiency in the supply of petroleum products, the exploration and exploitation of the sources, the extraction and refining of petroleum and its utilization and conservation assume particularly important role. The proposed project contributes towards the organization and management of refining and exploration, utilization and conservation and to the development of management and technical personnel so crucial to meet the objective, by rendering assistance in the establishment of the Regional Petroleum Development School. These capabilities and resources have to be developed within the region to reduce external dependence, and should be initiated right in the beginning of the programme implementation.

To carry out the SADCC energy programme, it has been proposed to

establish the Southern African Energy Commission (SAEC). The activity of the Commission is planned to meet the objectives of the SADCC programme. The proposed project contributes towards the organization, co-ordination and management of the operations of the Commission in the elaboration of the Master Plan, identification of regional energy projects and the preparatory activity for their implementation, by rendering assistance to the SAEC.

PART 2

MAIN ELEMENTS OF THE PROJECT

2.1 Projects' Immediate Objectives

2.1.1 To secure effective co-ordination, organization and management of the work that needs to be undertaken in the SADEC countries by the Administrative and Technical Assistance Unit, located in Angola, to service the proposed Southern African Energy Commission (SAEC), in

- a) preparation of energy surveys, estimates, energy balances, synthesis by sector/country, inventory of sources, feasibility studies, project proposals; and identification of personnel to undertake such studies
- b) publication and distribution of energy studies and organization of seminars and workshops
- c) supervision of the proposed four technical committees (under (SAEC) on petroleum, electrical power, coal, new and renewable sources of energy.

2.1.2 To provide assistance in the establishment, organization and management of the Regional Petroleum Development School (RPDS) in the

- a) development of technical personnel at operative level in petroleum refining and exploration

- b) development of management personnel in the organization and management of petroleum refining and exploration
- c) research activity of regional interest and establishment of a fuel testing laboratory
- d) organization of regional seminars on petroleum.

2.1.3 To secure effective co-ordination, organization and management of the work of the Southern African Energy Commission (SAEC) in the:

- a) elaboration of a programme of action for the commission
- b) elaboration of a Master Plan for Energy Development in the region
- c) identification of regional energy projects
- d) data collection, analysis, synthesis by sector/country, energy balances, economic analysis
- e) co-ordination of activities of the four committees on petroleum, electric power, coal and new and renewable sources of energy.

2.1.4 To ensure efficient energy utilization through management and conservation measures with special emphasis on industry by

- a) establishment of an Energy Management and Consultancy Service in the Eastern and Southern African Management Institute (ESAMI) in Arusha, Tanzania
- b) developing a core of trained staff in energy conservation studies and consultancy services for energy conservation and management; energy saving technologies and regulatory measures; energy utilization efficiency of industrial equipment and standards for efficiency of energy utilization
- c) collection and dissemination of information relevant to energy saving technologies, campaigning.

2.2 Outputs needed to achieve the objectives

2.2.1 An established SADCC Administrative and Technical Assistance Unit, located in the Ministry of Energy, Angola, with well organized procedures and methodologies for

- a) collection and analysis of data pertaining to energy production, distribution and consumption; energy sources etc. for preparation of surveys, estimates, energy balances etc.
- b) establishment of terms of reference for studies, guidelines for project identification; preparation of pre-feasibility and feasibility studies and project proposals
- c) co-ordination with SADCC member country agencies, operational projects
- d) co-ordination with donor countries/organizations and negotiations.

2.2.2 A well established and operational Regional Petroleum Development School (RPDS), adequately equipped with staff, courses, instruction materials, fuel testing laboratory and necessary equipment, and with

- a) programmes for training technical personnel for petroleum refining and exploration
- b) programmes for training management personnel for petroleum refining and exploration
- c) procedures for fuel testing, analysis etc.; research methodologies
- d) programme for regional seminars with relevant topics.

2.2.3 An adequately established Southern African Energy Commission (SAEC) including its secretariat, finalized convention and work programme, with well established systems of co-ordination, procedures and methodologies for

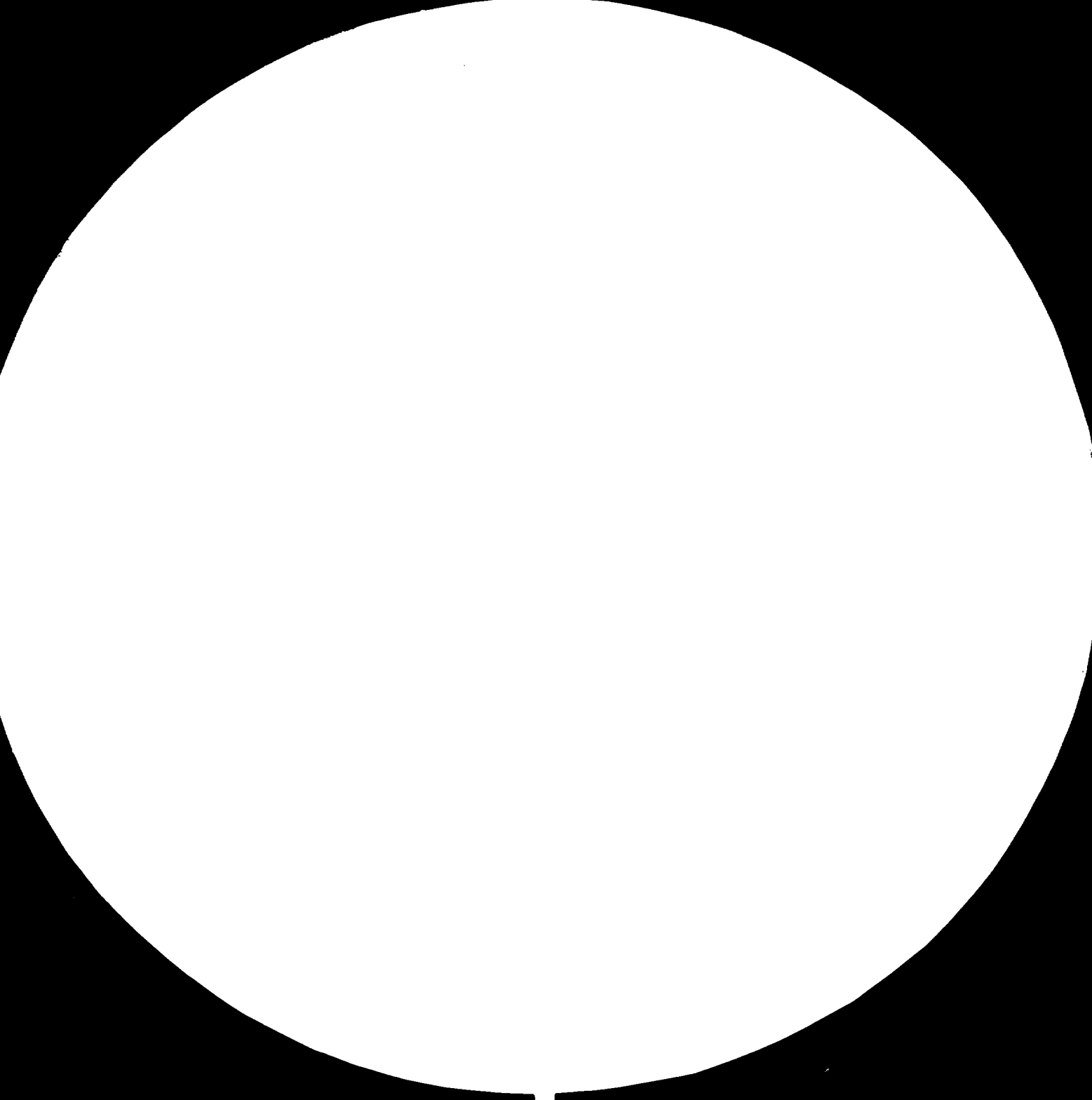
- a) organization of technical committees
- b) organization of technical teams for field study
- c) collection and analysis of data

- d) elaboration of Action Plan
- e) elaboration of Master Plan
- f) assessment of feasibility and project studies
- g) identification of viable projects, appraisal and evaluation of projects
- h) co-ordination and organization for implementation of projects
- i) co-ordination with donor/aid countries and negotiations.

2.2.4 A functioning Energy Management and Consultancy Service in the Eastern and Southern African Management Institute including trained staff, with

- a) manuals for conducting energy audits in industrial enterprises
- b) methodologies for diagnostic consultancy assignments and implementation of remedial measures
- c) recommendations on conservation measures, on Government conservation policies, regulations and incentives
- d) recommendations on energy utilization standards for energy consuming equipment and processes
- e) training manuals for technical staff.

83.08.11





4



3.6

4



MICROCOPY RESOLUTION TEST CHART

NATIONAL BUREAU OF STANDARDS-1963-A

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

2.3 PROJECT WORK PLAN

DESCRIPTION	Staff Responsibility		1983				1984				1985				1986			
	SADCC	UNIDC/TC DC	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Output 1: <u>Established SADCC Administrative and Technical Assistance Unit</u>	4 staff	2 UNIDO																
Activity 1.1: <u>Development of Procedures and Methodologies</u>																		
- Drawing up work programme of Unit and approval by competent authority																		
- Procedures for co-ordination with member countries																		
- Procedures and systems for data collection and analysis																		
- Methodology for surveys, estimates, inventory of sources etc.																		
- Terms of reference for studies																		
- Methodologies for feasibility study preparation and assessment, project proposals and viability																		
Activity 1.2: <u>On-the-job development of counterparts</u>																		
- identification, recruitment and administration of experts to undertake surveys, studies etc.																		
- assessment of technical committees (petroleum, electric power, coal, new/renewable sources of energy)																		
- data collection and analysis, field missions																		
- preparation of terms of reference for concrete project proposals for various energy production, distribution and consumption projects																		

- preparation of pre-feasibility and feasibility studies for the above projects
- identification of potential donors for the projects and negotiations
- organization of structures for implementation, co-ordination with member countries and donors in implementation of projects

Output 2: Established Regional Petroleum Development School

4 staff 1 UNIDO

Activity 2.1: Re-orientation and re-organization of the Angola Petroleum Development Centre to Regional Petroleum Development School

(same as output 1
+
1 DTCD

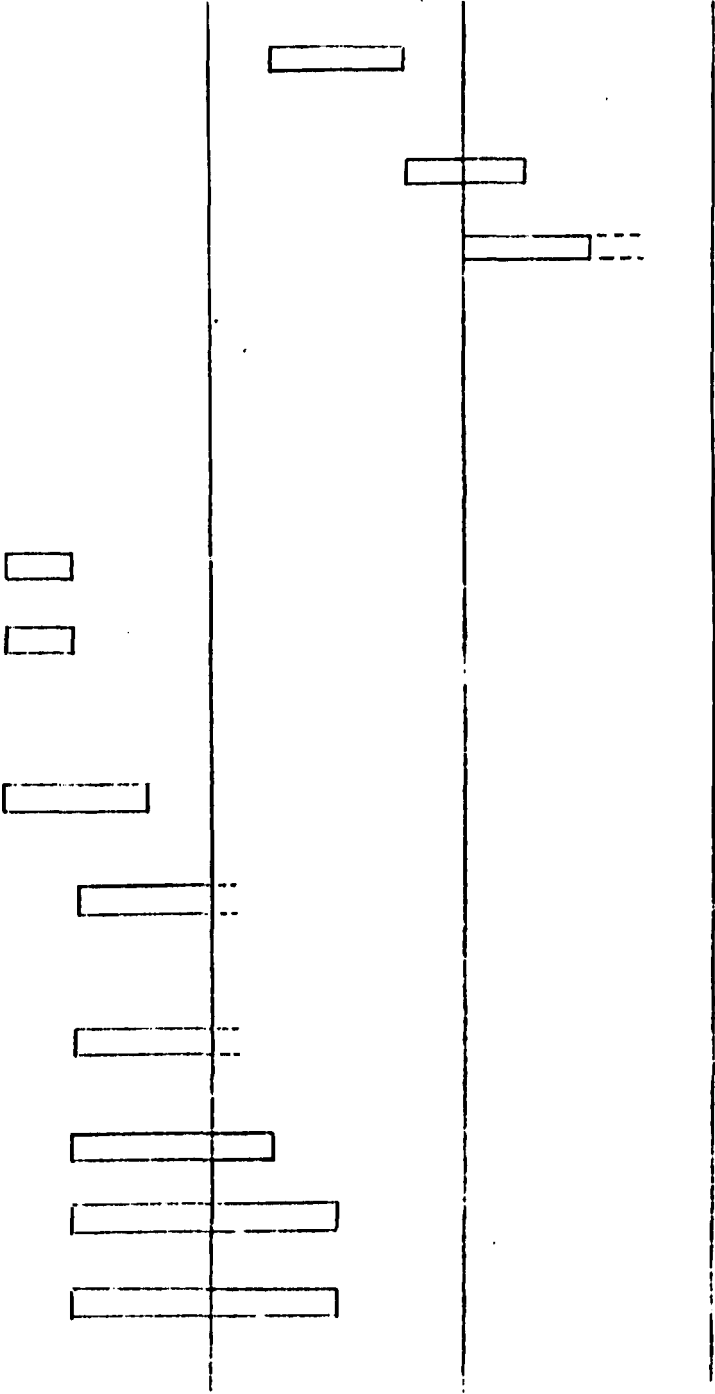
- staff assessment, course programmes, courses, instruction materials
- organization and management of School, co-ordination with member countries

Activity 2.2: Staff training and preparation of course programmes

- short-term courses for staff, covering sectors and aspects in the regional orientations
- preparation of course programmes for training technical personnel at operative level for refining and exploration and preparation of instruction material
- same for management personnel

Activity 2.3 Establishment of Fuel Testing Laboratory

- procurement and installation of equipment
- procedures for fuel testing and analysis
- laboratory staff training



Activity 2.4: On-the-job development of counterparts

- course activity for technical personnel
- course activity for management personnel
- research activity

Activity 2.5: Organization of regional seminars

- identification and selection of topics
- organization of seminars

Output 3: Adequately Established Southern African Energy Commission

Activity 3.1: Preparatory Activities

- Finalization of convention
- Finalization of work programme
- Establishment of Secretariat

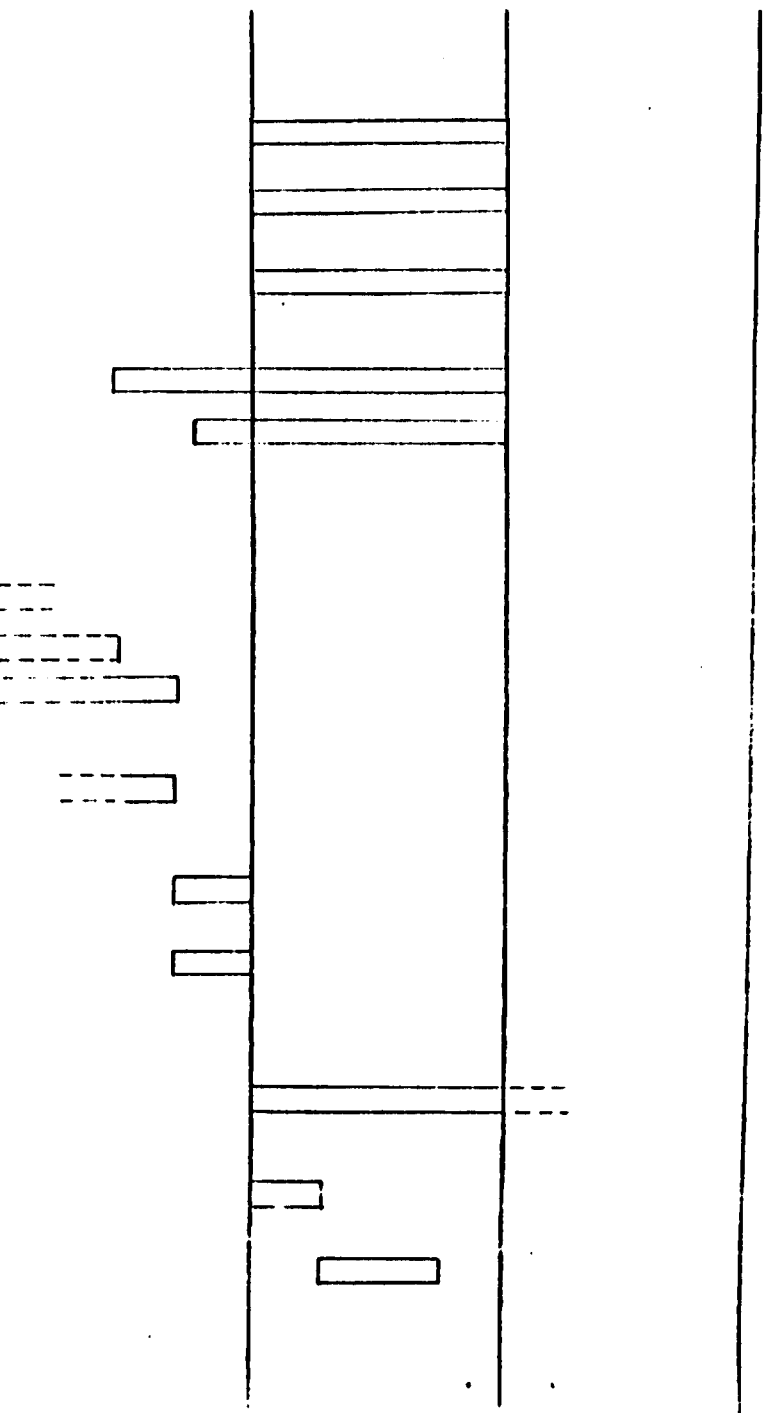
Activity 3.2: Organization and management

- organization of technical committees (petroleum, electric energy, coal, new and renewable sources of energy)
- organization of technical teams for field study and data collection
- procedures for co-ordination with member countries

Activity 3.3: On-the-job assistance

- collection and analysis of data (to be co-ordinated with activity of technical unit)
- elaboration of Action Plan for the commission
- elaboration of Master Plan for energy development in the region

2 staff 1 UNIDO
(same as in output 1)
+
1 DTCD
(same as in output 2)



- assessment of feasibility studies
- identification of viable projects
- co-ordination and organisation within the region for implementation of projects
- identification of donors, co-ordination with donors
- implementation of projects

Output 4: Functioning Energy Management and Consultancy Service in the ESAMI

4 staff 1

Activity 4.1: Preparatory activity

- staff recruitment
- identification field technicians
- preparation of work programme including identification of industries for energy conservation

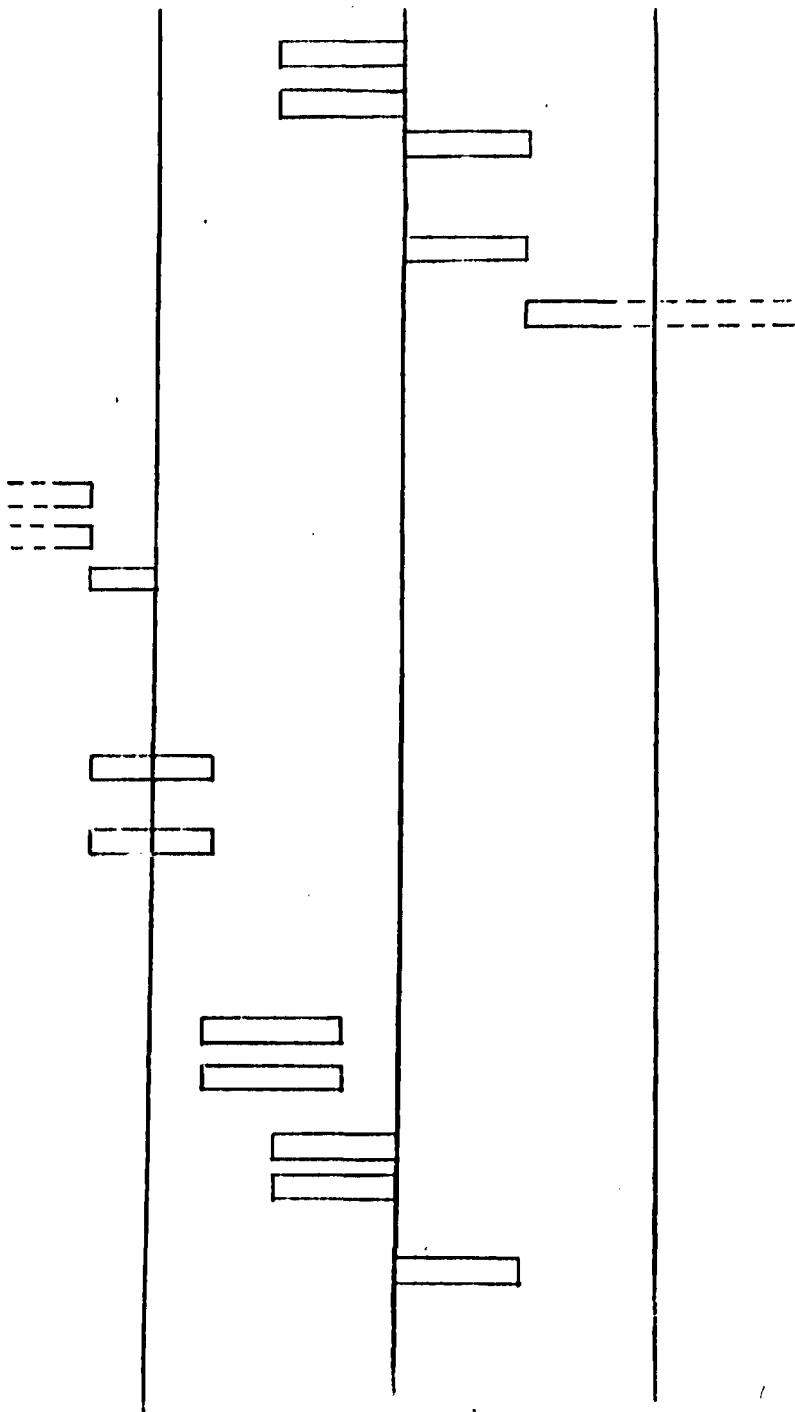
Activity 4.2: Preparation of methodologies, manuals etc.

- preparation of manuals for energy audits
- preparation of methodologies for diagnostic consultancy assignments and remedial measures.

Activity 4.3: Organization of the consultancy service

- conducting energy audits
- assessment of energy utilization efficiency of equipment
- energy conservation studies, analysis
- identification of energy saving technologies
- establishment of standards for efficiency of energy utilization, regulation and recommendations to Governments

UNIDO



2.4 Inputs needed to carry out the Work Plan

2.4.1 SADCC Inputs

The SADCC Administrative and Technical Unit located in the Ministry of Energy, Angola will be the institutional base for the proposed project; and its staff will be counterparts to the internationally recruited experts. SADCC will provide, according to the existing organization of the unit, 4 senior staff members including the chief co-ordinator; 2 staff members for data processing, necessary administrative support staff; office space for experts, including conference room, non-expendable office equipment and expendable office supplies. SADCC will identify 2 senior staff members from the Energy Commission, and 2 staff each from the member state ministries of energy as corresponding counterparts. SADCC will also identify 1 to 3 managers of regional energy projects as and when the project operations start.

2.4.2 Regional Petroleum Development School Inputs (RPDS)

The school, where part of the experts (1) will be stationed for major part of the time would provide 4 senior staff members including co-ordinator, necessary administrative support staff; office space for experts including a meeting room; non-expendable office equipment, expendable office supplies.

2.4.3 ESAMI Inputs

The Eastern and Southern African Management Institute, where part of the experts (1) would be stationed for major part of the time, would provide 2 senior staff members, including co-ordinator, necessary administrative support staff; office space for experts, including a meeting room; non-expendable office equipment, expendable office supplies.

2.4.4 UNIDO Inputs

2.4.4.1 Personnel

Duration

10. Internationally Recruited Experts
Attached to the Technical Unit

		<u>Duration</u>
10-01	<u>Chief Technical Adviser/Team Leader</u> An expert in industrial energy management with extensive experience in energy planning and policy	36 m/m
10-02	<u>Expert in Petroleum Exploration and Production</u> An expert in petroleum exploration and production, with extensive experience in the management of field operations and refining	36 m/m
10-03	<u>Expert in Energy Accountancy</u> An energy accountancy expert with extensive experience in energy planning	36 m/m
10-04	<u>Expert in Thermal Processes and Oil usage</u> An expert in thermal processes with extensive experience in the use of oil for energy generation and oil substitution	36 m/m
11-50	<u>Short-term Consultants</u> Consultants in specific areas as the need arises in the course of project implementation. Possible areas: Electrical power generation, Transmission and distribution, Hydro-electric power generation, Mini hydro-electric power generation, Thermal power/coal, Solar energy, Wind energy, Petroleum refining: technology, Refining: production operations, Petroleum exploration, Fuel testing, Steam generation/boilers. Computer software.	72 m/m

Support Personnel: Secretary, typist, messenger one each in the Energy Commission, Technical Unit, Regional School and 2 drivers.

2.4.4.2 Experts Travel Costs

2.4.4.3 Training

Study tours

For senior staff of the Energy Commission, Technical Unit, Regional School and managers of energy projects.

2.4.4.4 Equipment

Mini computer for data processing at Technical Unit,
Equipment for Fuel Testing Laboratory,
Copying machine at Technical Unit,
2 cars.



PROJECT BUDGET/REVISION

UNIDO

3. COUNTRY SADCC Region	4. PROJECT NUMBER AND AMEND	5. SPECIFIC ACTIVITY
10. PROJECT TITLE Development of Energy Management capabilities for the implementation of SADCC Energy Conservation and Security Programme		

15. 10. PROJECT PERSONNEL	16. TOTAL		17. 1983		18. 1984		19. 1985		20.	
	11 EXPERTS / Post title	m/m \$	m/m \$	m/m \$	m/m \$	m/m \$	m/m \$	m/m \$	m/m \$	
11-01 Chief Technical Adviser/Team Leader	36	275,400	12	87,000	12	94,200	12	94,200		
02 Expert, Petroleum Exploration, Production	36	275,400	12	87,000	12	94,200	12	94,200		
03 Expert, Energy Accountancy	36	275,400	12	87,000	12	94,200	12	94,200		
04 Expert, Thermal Process, Utilization	36	275,400	12	87,000	12	94,200	12	94,200		
50 Short-term Consultants	72	550,800	24	174,000	24	188,400	24	188,400		
06										
07										
08										
09										
10										
11										
12										
13										
14										
11-99 SUBTOTAL:	216	1,652,400	72	522,000	72	565,200	72	565,200		

21. REMARKS



UNIDO

PROJECT BUDGET/REVISION

PAGE

2. PAD NUMBER

4. PROJECT NUMBER	16. TOTAL		17. 1983		18. 1984		19. 1985		20.	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
12.01										
	OPAS Experts									
13.00										
	Support Personnel	396	79,200	132	26,400	132	26,400	132	26,400	
14.00	Volunteers									
15.00	Experts Travel		45,000		15,000		15,000		15,000	
16.00	Other Personnel Costs									
17.01	Locally hired Experts									
17.02	Locally hired Experts									
19.00	Total Personnel Component		1,776,600		563,400		606,600		606,600	
20.	SUBCONTRACTS									
29.00	Total Subcontracts Component									
30.	TRAINING									
31.00	Fellowships									
32.00	Study Tours, UNDP G. Training/Meetings		60,000		20,000		20,000		20,000	
33.00	In-service Training									
34.00	Group Training (non-UNDP)									
35.00	Meetings/Consultations (non-UNDP)									
39.00	Total Training Component		60,000		20,000		20,000		20,000	
40.	EQUIPMENT									
49.00	Total Equipment Component		560,000		100,000		220,000		240,000	
50.	MISCELLANEOUS									
51.00	Operations — Maintenance									
52.00	Reports		15,000		5,000		5,000		5,000	
53.00	Sundries		15,000		5,000		5,000		5,000	
55.00	Hospitality (non-UNDP)									
59.00	Total Miscellaneous Component		30,000		10,000		10,000		10,000	
99.	GRAND TOTAL:		2,426,600		693,400		856,600		876,600	

INSTITUTIONAL FRAME WORK

The SADCC Administrative and Technical Assistance Unit established in the Ministry of Energy, Angola, the co-ordinating country for the Energy Conservation and Security Programme, shall be the operational base for the proposed project. According to the authority delegated to the Unit by the SADCC sub-committee on Energy and the organizational set up expected with the establishment of the Southern African Energy Commission, the project policy shall be directed by the Unit together with the Secretariat of the Energy Commission. The activities and work-plan for the project shall be prepared by the Chief Technical Adviser with his team of experts in consultation with the Unit/Secretariat of Energy Commission. The implementation of the proposed project activities shall be in accordance with the agreed final work programme and plan. The implementing agency shall be the Technical Unit jointly with the Energy Commission.

The Regional Petroleum Development School and the Eastern and Southern African Management Institute shall be the supporting institutions. The final work programme for the activities related to these institutions shall be drawn by the Chief Technical Adviser, subject to approval by the Unit/Commission.

PART II

DEVELOPMENT OF MANAGEMENT CAPABILITIES AND MANAGEMENT

AND CONSULTANCY SERVICES IN THE AFRICAN REGION

INTRODUCTION

The second part of the report deals with the development of co-operation in industrial consultancy in the African region. In order to formulate a concrete programme of action for the development of capabilities to provide industrial and management services in the region, the sub-regional and regional co-operation arrangements in accordance with the conclusions and resolutions of the Sixth Conference of African Ministers of Industry ^{1/} held in Addis Ababa, 23 to 25 November 1981 and the proposals for the formulation and implementation of the Industrial Development Decade for Africa submitted to and adopted by the Conference, have been reviewed. The results of discussions with ECA held over the last two years and the various proposals thereof have also been studied for the purpose. The existing consultancy services in other developing and developed countries have been analyzed with a view to evolve innovative approaches and to adapt the existing ones to the African context.

Based on the above, an analysis of the management and consultancy services needed for the implementation of the Decade Programme has been made, and a programme of action for the development of management and consultancy services in the region is formulated together with a project proposal.

^{1/} Report of the Sixth Conference of African Ministers of Industry
E/ECA/CM.8/2 2 December 1981

^{2/} ECA/CM1.6/INR/WP/1/Rev.1
/2/Rev.1
/3/Rev.1
/4/Rev.1 later ID/287

CHAPTER 1

REVIEW OF CO-OPERATION ARRANGEMENTS

The Sixth Conference of African Ministers of Industry that met in Addis Ababa from 23 to 25 November 1981 adopted certain conclusions in respect of the four documents dealing with the formulation and implementation of the Industrial Development Decade for Africa and also adopted a resolution on the formulation and implementation of a programme for the Decade. The conclusions and resolutions relevant to co-operation in the development of capabilities to provide industrial consultancy and management services in the region are presented below. ^{1/} The frame work for the action programme to develop the capabilities would be drawn based on these co-operation arrangements.

1. Conclusions of the Sixth Conference of African Ministers (relevant to co-operation in consultancy and management services)

1.1 Frame work for the preparation and implementation of the Programme (1980 - 1990)

The Conference concluded that there should be two phases for the implementation of the Decade: the preparatory phase lasting from 1982 to about 1984 and an implementation phase covering the period 1985 - 1989.

1.1.1 Action at the national level

- i) Equal attention should be given to the physical infrastructure, institutional mechanisms, environmental considerations, technology and above all the manpower requirement for the implementation of the industrial programmes and plans.
- ii) Action should be taken in the area of science and technology, the development of industrial and technological manpower, especially at various skill levels in good time so as to prepare the skills, labour force capable of planning, implementation and operation of industrial projects.

^{1/} The conclusions and resolutions of the Conference, only those that are relevant to the development of consultancy and management capabilities, are quoted. The underlining is done by the author to highlight appropriate elements.

iii) In view of the valuable contribution which industrial entrepreneurship can make to self-reliant and self-sustaining development, efforts should be made in each country to appraise indigenous industrial entrepreneurial resources in both public and private sectors for implementing the Decade programme; to establish effective communication with industrial entrepreneurs; and to design and set up appropriate incentives, support institutions and services for developing critical industrial entrepreneurial capabilities, capacities and activities.

1.1.2 Action at the sub-regional and regional levels

- i) International organizations and member states are called upon to give support to facilitate the formation of Regional Associations for African Manufacturers and Businessmen.
- ii) Regional and sub-regional institutions should be strengthened and new ones created only after careful studies have been undertaken.
- iii) Intra-African co-operation should be promoted at the regional and sub-regional levels in the areas of industrial training, energy, engineering consultancy, trade in manufactures, industrial raw materials and inputs, industrial information, science and technology, natural resources and the harmonization of fiscal and trade policies including the elimination of trade barriers.

1.1.3 Expected outputs during the preparatory phase

The adoption of policy instruments for fostering intra-African specialization and complementarity, assessment of raw materials, project financing, manpower development, entrepreneurial capabilities, information, consultancy services and energy.

1.1.4 Modalities for implementation

- i) A national co-ordinating committee and a focal point within the governmental administrative machinery should be set up, where these do not already exist, for co-ordinating the formulation, implementation and monitoring of the national programme for the Decade.
- ii) An inter-governmental machinery should be set up at the regional and sub-regional levels if this does not exist, for co-ordinating national actions and initiating and monitoring the implementation of regional and sub-regional activities and projects for the Decade.
- iii) The ECA/OAU/UNIDO Inter-secretariat committee for the Decade should intensify its efforts to carry out the task entrusted to it.

1.1.5 Technical Co-operation

International assistance should be promoted with regard to preparation of regional programmes, the identification of priorities and key industrial sub-sectors and areas, the development of industrial manpower and the requisite institutional machinery; and in strengthening technology and information structures.

1.2 Guidelines for the formulation of strategies for major industrial sub-sectors and areas (1980-1990)

1.2.1 Major Priority Industrial Sub-sectors

Conclusions have been adopted on the guidelines for the formulation of strategies for eight major priority industrial sub-sectors namely Food processing, Textile, Forest, Building materials, Metallurgical, Chemical, Engineering and Small-scale Industries; and major factors and related inputs and energy.

1.2.2 Major Factors and Related Inputs

The development of capabilities at the national, sub-regional levels in the research and study areas to identify the required industrial raw materials available and industrial products to be manufactured in the region.

1.2.3 Modalities for the implementation of the programme

Member states should individually and collectively create mechanisms for fostering the formation of indigenous public and private industrial consultancy organizations.

1.2.4 Monitoring and reporting on the implementation of the programme for the Industrial Development Decade for Africa

- i) The planning of the Decade programme should recognize the need of the regular monitoring and reporting on its implementation. Accordingly, the data that will be required for the evaluation of the progress of implementation should be collected on a regular basis and in particular before the commencement of actual operation.
- ii) At the national level focal points should be established where they do not exist. In addition each member state should establish a national co-ordinating committee composed of high-level representatives of relevant ministries, public and private sectors, chamber of commerce and industry, universities and financial, research and professional institutions. An inter-ministerial committee should also be established to advise and assist the focal point and the co-ordinating committee.
- iii) Member states should issue certificates to private entrepreneurs authorizing them to undertake projects, or when they conclude agreements with private entrepreneurs, provision should be made for the regular monitoring and reporting of their activities at the plant level.
- iv) At the sub-regional level, the existing institutions like the Multinational Programming and Operational Centres (MULPOCs) or other intergovernmental bodies should undertake the monitoring and reporting, under the direction of the sub-regional technical committees.

2. Resolution of the Sixth Conference of African Ministers
(relevant to co-operation in consultancy and management services)

The Conference of African Ministers of Industry, noting that the development and implementation of the industrial development programme in African countries are and would be increasingly influenced, inter alia, by:

The cost of imported factor inputs which increasingly constitutes a large proportion of the content of industrial production.

2.1 Adoption of proposals for the Decade Programme

Adopts the proposals for the formulation and implementation of the Industrial Development Decade for Africa, and agrees to accord high priority during the preparatory phase (1982-1984) to the following measures aimed at attaining self-sufficiency in food production, building materials and textiles and other objectives of the Decade and thereby making operational the industry sector of the Lagos Plan of Action especially the priority sub-sectors of food and agro-industries, building materials, textiles, energy, forest, metallurgical, engineering and chemical industries, as well as major industrial areas, especially capabilities, institutional infrastructure, technology, industrial financing, information and environment.

- i) Development of sound national industrial institutional machinery for the effective planning, execution, monitoring and evaluation of industrial development activities and the promotion of small-scale, cottage and handicraft industries.
- ii) Development of industrial and technological manpower to cover the entire spectrum of the various skills and expertise required at each stage of industrial development and the elimination of "brain drain".

2.2 Modalities for the implementation of the Decade Programme

The Conference calls upon all member states and the international community to accord special emphasis to, and to take necessary measures to implement, the actions proposed for the Preparatory Phase (1982-1984) of the Decade, especially, those outlined below:

2.2.1 At the national level

- i) Activating and involving the agents of industrial production and distribution, including the strengthening of public and indigenous private industrial enterprises, support measures for increased industrial investment and strengthening and/or developing capabilities for small-scale industrial entrepreneurship.
- ii) Appraisal, as necessary, of the national technological machinery with a view to developing a technology plan, including the requisite institutional infrastructure in the fields of R and D, standardization in terms of quality control and environmental protection measures through engineering and consultancy services to enable the machinery to more effectively meet the requirements of the Decade.
- iii) Preparation of an industrial manpower development plan with a view to developing the various entrepreneurial and technical skills required for the Decade.

2.2.2 Actions at the sub-regional and regional levels

- i) Strengthening of existing or establishment of new focal points within existing sub-regional or regional organizations, or within the MULPOCs where such intergovernmental organizations do not exist, for handling the day-to-day work related to the Decade and to liaise with national focal points and the co-ordinating organizations (OAU, UNIDO and ECA) accordingly.

- ii) Creation of indigenous consultancy organizations and capabilities to provide industrial and management services related to preparation of projects, pre-investment studies, specifications, bids and contracts; assistance to governments in monitoring and assessment of all project activities including scheduling, supervising and synchronizing their implementation at national and multinational levels.

3. Review of the Conclusions and Resolutions of the Sixth Conference of African Ministers of Industry

In reviewing the conclusions and resolutions, the mandate given by the Conference of African Ministers of Industry for the development of capabilities to provide industrial management and consultancy services in the African region is ample and clear. These capabilities are related to the identification, preparation, implementation, monitoring and evaluation of projects both in the large and small and medium scale industries, in the process of implementation of the Decade Programme. These capabilities also include assistance to the governments in all project activities and co-ordination at national and multinational levels. These capabilities are to be developed at the right time to prepare the skills for planning, implementation and operation of all industrial projects. Towards this end the necessary support institutions are to be developed.

In order to realise this, the co-operation arrangements, at the national, sub-regional and regional levels, according to the conclusions and resolutions of the Conference, are as given below:

At the national level

- i) member states to create mechanisms to foster the formation of indigenous public and private industrial consultancy organizations.
- ii) member states to support measures for increased industrial investment and strengthening and/or developing capabilities for small-scale industrial entrepreneurship.

- iii) member states to appraise, as necessary, the national technological machinery through consultancy services
- iv) member states to give support to facilitate the formation of regional associations for African manufacturers.
- v) member states to support institutions and services for developing critical industrial entrepreneurial capabilities.

At the sub-regional and regional levels

- vi) to promote intra-African co-operation in the area of engineering consultancy and to adopt policy instruments for fostering such co-operation.
- vii) strengthening of existing or establishing new focal points within existing sub-regional or regional organizations or within the MULPOCs where such intergovernmental organizations do not exist.
- viii) regular monitoring and reporting on the implementation of the Decade Programme are to be undertaken with co-ordination by the national co-ordination committees at the national level and institutions like MULPOCs or other intergovernmental bodies at the sub-regional level.

CHAPTER 2

REVIEW OF THE PROGRAMME FOR THE INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA

The framework for the formulation and implementation of the Decade programmes at the national, sub-regional, regional and international levels^{1/}, prepared jointly by the Economic Commission for Africa (ECA), the Organization of African Unity (OAU), and the United Nations Industrial Development Organization (UNIDO), has been reviewed with a view to identify the detailed framework of the co-operation arrangements at the national, sub-regional and regional levels so as to establish the main directions for the development of capabilities to provide industrial consultancy and management services in the region, based on which a concrete programme of action is formulated. Following is a brief review of the co-operation arrangements relevant to the development of the above mentioned capabilities.

1. STRATEGY OF SELF-RELIANCE AND SELF-SUSTAINMENT

The OAU member states have noted that the majority of African countries still suffer from underdevelopment and have little manufacturing activity. The industrial activities initiated by foreign agents have not met the basic needs of the people, neither made for an integrated economy nor modernization, it only perpetuated an economic structure featuring a small modern sector and a large backward agricultural sector with the industrial sector hardly existing in many African countries, thereby heightening the region's dependence on foreign manpower, capital and technology. Based on this assessment the member states of the OAU have adopted the Lagos Plan of Action for the collective industrialization of Africa based on the twin principles of self-sustained and self-reliant industrialization. The principle of self-reliance involves the use of indigenous raw materials, in addition to labour and management, domestic and regional markets, and the principle of self-sustainment relies on internal as opposed to external investments and stimuli. Self-reliance calls for the maximum use of indigenous resources: both physical and human. In Africa, technical education and training institutions and

^{1/} ID/287

and the policy of state scholarship have little bearing on the systematic development of national capabilities in modern terms for the identification, evaluation and management of the natural resource base for the extraction of raw materials and their conversion into finished product.

1.1 The Requirements of Self-sustained Industrialization

The self-sustained industrialization designed to meet the basic needs of the people through measures of building up industrial production structures capable of meeting the objective; promoting interlinkages between various industrial subsectors and between national productive capacities at the sub-regional and regional levels especially in the basic and capital goods industries; establishment of a core of production, marketing, research and development activities; selection of products to satisfy the basic needs; expansion and restructuring of domestic markets by integrating the rural economy with the modern sector; sub-regional economic integration aimed at developing basic and capital goods industries in integrated sub-regional markets and thus boosting intra-African trade and the generation and use of information related to internal resources, conditions and potentialities, requires a massive effort and extensive management capabilities at all levels, pointing to the urgent need of development of such capabilities, which in the context of self-sustained industrialization demands mobilization and pooling up of internal human resources with the maximum multiplier effect through provision of management and consultancy services in the region.

1.2 The Requirements of Self-reliant Development

The self-reliant development that entails a pattern of economic development consistent with the natural resources and human needs of the region, implying the adjustment of industrial production to the needs of the population; introduction of mechanisms for income equalization commensurate with the needs of both urban and rural population; the joint planning, financing and location of educational institutions; development of technological capacities to evaluate industrial techniques, adaptation of imported technology and creation of indigenous technological base and

the promotion of the participation of both public and private entrepreneurs and other economic agents in the process of industrialization by rendering assistance in the identification of projects, preparation of feasibility studies, mobilization of investment funds and training of the manpower for production and commercialization of the industrial products, again involves the development of extensive management capabilities, which in the self-reliant development requires ways and means to internally generate and develop such capabilities through provision of management and consultancy services in the region.

2. IMPLICATIONS OF IMPORTED SERVICES

According to the objectives of the Lagos Plan of Action, the African countries intend to, during the present decade, lay the foundation for industrial integration at the sub-regional and regional levels and to achieve a minimum of 1.4 percent of world industrial production by 1990. In order to meet this target the Decade Programme envisages an enormous US\$ 140 billion investment over the period 1980-1990. This has to be managed.

The past experience in Africa has shown that the investments in African countries have too often given rise to benefits that are unequally distributed between the host countries and the external partners and suppliers due to weakness in negotiations, all too frequently the industrial investment benefits the supplier far more than the African buyer. The high import content of investment includes: imported capital goods and equipment; imported raw materials and intermediate inputs preferred by the foreign enterprises; technical fees for feasibility studies and project design; management fees; technical fees associated with the selection and purchase of equipment; spare parts, repatriation of projects - this system has been self-perpetuating.

A challenge in the implementation of the Lagos Plan of Action in general and the Decade Programme in particular, is the reduction of the bulk of the imported factor inputs relevant to exploration, evaluation and extraction of industrial raw materials, their conversion into semi-finished

and finished goods through creation of indigenous factor inputs, devoting special attention to the cost of development of these inputs and the inputs themselves undertaking the following measures:

- i) for reducing capital wastage, improved and widely encouraged maintenance and repair policies and practices;
- ii) to reduce under utilization of fixed capital assets;
- iii) for bulk procurement of plant and machinery, raw materials and spares;
- iv) to improve national capacities for equipment selection and installation;
- v) to use barter arrangements in intra-African trade in raw materials and energy;
- vi) to establish an intra-African investment system;
- vii) to prepare a directory of sources of finance and ways and means of mobilizing resources;
- viii) for increasing the flow of external finance through new mechanisms.

Member states have been urged to give urgent attention to the flow of foreign exchange from the region to pay for imported services which include consultancy for feasibility studies; project design and planning; site development; equipment selection; importation and installation; project management; trouble shooting especially with regard to civil engineering, energy, mining and manufacturing projects; banking; shipping; insurance; advertising; education and training; information; technologies and trade marks. It is interesting to note that an ECA field mission report on the establishment of an African Regional Centre for consulting Engineering and Management estimates that Africa will be using 4,000 work-years of consultancy services annually - 90 percent of which is imported^{1/}.

This drain is likely to grow at an explosive rate as the efforts accelerate to implement the Lagos Plan of Action in general and the Decade Programme in particular and will frustrate these efforts.

The programme stresses that the outflow of foreign exchange for these services can be reduced by evolving suitable policies and strategies at the national, multinational and regional levels, for improving and expanding

^{1/} ECA Report presented to the Ad Hoc Meeting of Intergovernmental Experts on African Regional Centre for Industrial Consultancy and Management Services, Addis Ababa, 14-18 Sept. 1981.

indigenous consultancy, for substitution by indigenous capabilities and for evaluating and negotiating projects. In this connection, it is emphasized that high priority should be accorded to the strengthening and establishing of the appropriate institutions for developing the workforce and delivering advisory services.

3. IMPROVEMENT OF INDIGENOUS CAPABILITIES

It is pointed out that the scope of activities required for the accelerated industrialization towards self-sustainment in Africa are made virtually impossible by the lack of adequate personnel at all levels from project inception to the operation of plants, including project identification, preparation, design, appraisal and promotion, procurement of plant and machinery and supplies, contract negotiations, operation and maintenance of industrial plants - resulting in dependancy on high cost expatriate personnel. The other constraints include inadequate knowledge of natural resources, inadequate infrastructure, energy, finance and institutional framework; the failure of governments to appreciate complementarity of industrial activity among themselves and lack of communication and exchange of information among government organizations as well as among governments and exploitation by unscrupulous foreign companies and financial institutions. The following action for the improvement of national, sub-regional and regional capabilities has been proposed for the preparatory phase (1982-1984).

3.1 Governmental and Inter-governmental Machinery

It is proposed to evaluate the efficiency of the governmental machinery as bodies for allocating resources, regulating the agents of industrial production; and to appraise the efficiency with which the activities of the ministries are carried out in the exercise of regulatory functions pertaining to industry, in the extension services and in the location policies.

At the sectoral level, to organize and staff the Ministry of Industry, industrial parastatals and other institutions so as to permit specialization

and ensure complementarity. The Ministry of Industry to pursue a policy of harmonious operational relationship with other ministries a focal point is to be established within the Ministry to act as secretariat to the National Co-ordinating Committee to handle the day-to-day activity of the Decade and to liaise with the co-ordinating agencies (ECA, OAU and UNIDO) and other bodies set up at the regional and sub-regional levels for the Decade.

3.2 Public Sector Enterprises

It is recommended that measures be taken to enable the public sector enterprises to manufacture the products enumerated in the programme for its successful implementation. These measures are:

- i) to set up a co-ordinative body, such as a Bureau of Public Enterprises, to evolve a common policy and approach to similar problems encountered in various state enterprises, although they may belong to different ministries.
- ii) to promote national consultations among public enterprises on the role they could play in adopting and implementing the Decade Programme in the context of national resources and prevailing conditions.
- iii) to organize study tours for personnel of public enterprises in different sectors in such countries as Brazil, India and Mexico, so that they could learn from successful public enterprises in other developing countries.
- iv) to hold national consultations subsequent to study tours to consider such issues as technical assistance from enterprises visited or joint ventures on the basis of TCDC.
- v) to introduce a national academy or similar arrangement for managers in enterprises to provide training at various managerial levels.
- vi) to establish a permanent national machinery for consultations among public enterprises on the status and prospects of the national economy and the role of public enterprises therein, as well as on performance improvements and performance indicators.

- vii) to establish national associations of state enterprises operating within the same sector or sub-sector with a view to promoting multinational co-operation and joint ventures.

3.3 Private Sector Enterprises

In order to secure active involvement of the private sector as appropriate in a production programme geared to the needs of the Decade, the following measures have been identified:

- i) the Government to prepare a portfolio of projects containing project profiles with broad technical and financial parameters, including such data as approximate capital cost, return on investment, availability of raw materials, size of market, and some times pre-feasibility and feasibility studies to be made available at a subsidized rate or free of charge.
- ii) to promote the development of local management and engineering skills
- iii) Government to set up institutions to help potential entrepreneurs select projects of their choice, and to make available a portfolio of projects. An investment centre to be set up at national level to provide the requisite information and facilities to potential investors.
- iv) to provide governmental guidelines and consultancy support to entrepreneurs entering into collaborative arrangements with and technology acquisition from, foreign sources so that mutually beneficial and fair industrial collaboration contracts can be negotiated.

3.4 Support Measures for Foreign Investors

It is proposed that governments should undertake the following support measures for foreign investors:

- i) to promote information systems to encourage investors and accord necessary guarantees
- ii) to improve industrial legislation to cope with new trends in the pattern and objectives of investment
- iii) to design appropriate package of incentives
- iv) to provide access to investment information and appropriate project profiles may be of assistance
- v) the national investment centre to provide information and facilities, branch offices abroad to be established.

3.5 Support Measures for Joint Ventures

- i) to render assistance to local partners to facilitate choice of suitable joint venture partners and to ensure mutually advantageous joint venture arrangements in accordance with national strategy
- ii) to provide support services to local entrepreneurs both public and private during the process of negotiation
- iii) to set up a separate division in the national investment centre with expertise in joint venture negotiation

3.6 Measures for the Development of Capabilities for Small-scale Enterprises

Activity in the sector of small-scale industry is a fundamental element in the Lagos Plan of Action, since the sector can contribute significantly to the meeting of the needs of the people. High priority should be given to the establishment of effective industrial extension services in order to provide financial, technical and marketing advice to small-scale industry and complementing these services by schemes to upgrade the requisite entrepreneurial, managerial and technical skills. It is proposed to take the following measures:

- i) to create at the national level a small-scale enterprise promotion centre to collect information on small-scale business that needs government assistance and support..
- ii) to set up at the national level a small-scale industry promotion centre to provide consultancy services, including project design and detailed engineering; choice of production technology; selection of machinery and equipment; supervision of project construction; management consulting and problem solving; and legal advice.
- iii) to introduce policy measures such as the reservation of a number of products for manufacture solely in the small-scale sector, provision of incentives to large scale industries to develop ancillary small-scale units as sub-contractors and appropriate protection by Government from unfair competition.
- iv) to introduce physical support systems, to provide physical infrastructure such as fully serviced industrial estates, raw materials (especially those in short supply), machinery and equipment, prototype centres (where small-scale industrial units can experiment with new products and processes), common testing facilities and quality control methods.
- v) to set up financial corporations to assure financial support through providing subsidized interest rates on loans, transport subsidies and price supports.
- vi) Governments to effect a certain share of their purchases solely in the small-scale sectors and enact procurement laws favouring these industries. These measures have to be supplemented by a rationalization programme aimed at upgrading the equipment, financial support, standardization and quality control, as well as the efficient organization of marketing, possibly through the establishment of a small-scale industrial development and marketing corporation.

- vii) to ensure marketing support through the establishment of a special institution to act as the marketing agency for the products of the sector.
- viii) to promote standardization and quality control and provide support to development of personnel.
- ix) to provide appropriate technological inputs and the requisite institutional infrastructure and procedural support so that small entrepreneurs are not hindered by a multiplicity of procedures.
- x) to promote TCDC activities in the field of entrepreneurial development, managerial development and consultancy.

3.7 Measures for Development of Consultancy Companies

It has been pointed out that in Africa at present the quality and number of entrepreneurs are poor and low, while risk perception is high, consequently the volume of industrial investment, its quality as well as the indigenization of the industrial sector are largely determined by the supply, as cheaply as possible, of complete services for project preparation and engineering works. This situation, it has been said, could be overcome if national consulting engineering companies were to be set up, which could contribute significantly to the promotion of resource-based industries by preparing complete project designs at reasonable cost for potential indigenous entrepreneurs and enterprises. In order to create such consultancy companies, the following measures are recommended:

- i) African national consultancy companies to look for training facilities in consultancy services in Third World countries and enter into joint ventures with these firms.
- ii) As a matter of government policy, all large consulting contracts awarded to foreign management enterprises and consulting engineers should provide for the placement of African graduates in the consultants' offices where work related to the project is carried out, thus facilitating the transfer of technical know-how and skills.

- iii) to give preference, where appropriate, to the award of consultancy and other service contracts to external firms which establish joint ventures or enter into partnership arrangements with domestic partners.

4. Institution Building

It is observed that a particularly significant aspect of institution building is the large and growing outlay of foreign exchange for imported institutional services. The attainment of self-reliant and self-sustaining industrialization requires the development of an effective industrial institutional infrastructure, which at present is grossly inadequate in most African countries. It is therefore recommended to take action, especially at the national level, to develop new, or strengthen existing industrial institutions that are of crucial importance to the Decade programme. Particular attention should be paid to institutions dealing with the formulation and monitoring of industrial policies, plans and programmes; development or upgrading of traditional technologies; appraisal, selection, adaptation of foreign technologies; regulation of technology, industrial financing, industrial consultancy, management and other services; standardization, testing and quality control; engineering and process design, industrial information, industrial and trade promotion and industrial training. Closely related to this is the need to develop industrial development centres and the requisite technological institutional machinery.

It is recommended that each African country should establish industrial development centres or strengthen those already in existence. These centres can serve to implement the integrated industrial development programme and prepare sectoral development programmes. They should provide for project identification, preparation of feasibility studies for priority projects (where appropriate, in collaboration with the project sponsors) and follow up the implementation of these projects, a particular feature being the provision of consultancy services and management advice.

It is recommended that each African country set up institutional machinery for development or upgrading and commercialization of indigenous technologies, as well as the evaluation, selection, acquisition, adaptation, absorption and regulation of foreign appropriate technologies.

Some of the institutions exist at the national level but are inadequate to cover all the essential functions related to the programme.

In view of the significant role the public sector must inevitably play in the early stages of the design and implementation of national plans and programmes, it is essential that the fullest use be made of the existing expertise. It is suggested to employ special and imaginative measures to improve their managerial and technical qualities, such as study tours, attachment of staff to similar and more sophisticated enterprises elsewhere, intensive course for improvement of managerial and technical expertise, and redefinition of functions, roles and areas of relatively independent initiatives. At the multinational level, mechanisms to promote consultation and collaboration between state enterprises and public utilities in critical sectors should be established to utilize the combined expertise in designing production, labour development, research, marketing etc. The principle should be to make the maximum use of the indigenous institutions already existing.

It is recommended to reinforce or introduce, during the implementation phase (1985-1990), as a part of the institutional infrastructure needed, specialized institutions, in the areas of

- i) Marketing: national institutions, co-ordinated at the multinational level, to develop co-operative arrangements
- ii) Raw materials: national institutions, co-ordinated at the multinational level, pooling the procurement resources
- iii) Semi-finished and intermediate goods: institutions to solve the problems of excess capacity by promoting complementarity, bulk procurement; problems of scale of operation and realizing economy of scale through sub-contracting etc.

- iv) **Financing:** institutions to increase the ability to raise the capital and organization of investment
- v) **Work force training:** institutions for promoting development of new and anticipated managerial and operational skills and the creation of capabilities mainly in the formulation design, preparation and implementation of projects; negotiating skills; feasibility studies and evaluation.
- vi) **Technology:** institutions to strengthen technological capabilities for "unpackaging" and adapting imported technology, development of indigenous expertise to solve local technological problems; improve design capabilities, standardization and quality control etc.
- vii) **Information:** institutional machinery to promote the flow of information to and its exchange between, those engaged in industrial development process in Africa in pre-investment, planning, decision making or operational capacity.
- viii) **Consultancy Organizations:** in order to reinforce the activities of the above-mentioned institutions, indigenous national consultancy organizations should be created to perform the following services:
 - a) Preparation of pre-investment studies, specifications, bids and contracts
 - b) Appraisal of feasibility studies and industrial bids and contracts
 - c) Procurement of raw materials and equipment and inspection before delivery
 - d) Organization of local procurement of raw materials through competitive bidding
 - e) Overall monitoring and assessment, on behalf of the Government, of all project activities, including scheduling, supervising and synchronizing their implementation at both the national and multinational level

- f) Co-operation with other African countries in the organization, exchange and sub-contracting of consultancy and other industrial services.

5. Industrial Training

Emphasis is placed on industrial training at various levels, with programmes linked to existing industry and adjusted to future industrial plans, to train industrial leaders, entrepreneurs, policy makers and planners; project designers; technologists and technicians; managers, cost accountants and financial analysts; multidisciplinary teams of extension workers and marketing experts.

In order to achieve the above it is proposed to take the following measures at the national level

- i) analysing the national industrial and technological manpower requirements
- ii) Establishing multi-purpose training institutions as well as specialized institutions
- iii) Ensuring that indigenous experts participate in the complete project design and planning process, contract negotiations and project implementation
- iv) Upgrading the social status of personnel to reduce the "brain drain"
- v) Securing sound and continued financial support for industrial training.

In order to reduce the time and cost of human resource development, indigenous methods are to be developed and applied.

It is suggested to establish teaching companies, national or multinational centres combining industrial production, teaching, adaptive research, demonstration and extension; and marketing as well as the adoption of specific policy measures for the development of indigenous consultancy services. It would be necessary to evaluate the needs of entrepreneurs in the public and private sector for support

services and review the state of such services in order to bring about their early improvement and expansion taking cognizance of the dominance of the rural sector and its industrialization and hence the need for consultancy and support services including mobile service in rural areas.

At the sub-regional and regional levels it is proposed to create various industrial technology institutes and link them with a net work of industrial management institutes, as well as the introduction of specialized training programmes for African engineers and managers within each sub-region. Emphasis is laid on linkages between institutions within the region involved in the upgrading of technical capabilities in order to eliminate duplication of effort and to enable their staff to share their experience. African universities and other existing institutes, including the Institute for Economic Development and Planning (IDEP), should develop programmes consistent with the needs.

6. Regional Co-operation in High-Priority Sector

In the Lagos Plan of Action it is proposed to establish an African Regional Centre for Industrial Consultancy and Management Services. The establishment of such a centre is one of the pre-requisites for self-reliance. The elaboration of sub-regional sectoral master plans and the establishment of integrated industrial programmes, should be undertaken by senior African planners in collaboration with appropriate regional consultancy and management organizations. The frame work for the formulation and implementation of the Decade programme lays particular emphasis on the matter as an area of high priority in regional co-operation and a prerequisite for the implementation of sub-regional industrial programmes.

CHAPTER 3

REVIEW OF PRELIMINARY ACTIVITY

The following is a brief review of the preliminary activity and the deliberations over the past two years between UNIDO and ECA in their joint initiative to develop consultancy and management services in the African region.

1. PREVIOUS ACTIONS

As a consequence of the joint UNIDO/ECA initiative, the creation of African regional consultancy and management services was endorsed by the previous meetings of the Ministers of Industry and Economy.

An ECA/UNIDO Fact-Finding Field Mission report on the Establishment of an African Regional Centre for Consulting Engineering and Management was prepared (July 1981) and presented to the ad-hoc meeting of Inter-governmental experts on African Regional Centre for Industrial Consultancy and Management Services, Addis Ababa, 14-18 September 1981. The meeting further endorsed the idea and discussed it at a technical level.

The Sixth Conference of African Ministers of Industry, Addis Ababa, 23-25 November 1981, after having deliberated on the matter of the Centre, endorsed the proposal for a meeting of African Plenipotentiaries on the matter to be held in 1982. This meeting has not been held so far.

2. PROPOSED APPROACHES

There were two approaches suggested for the development of consultancy and management services in the region:

- i) Establishment of a regional centre;
- ii) Establishment of a regional network.

While ECA advocated the establishment of a regional centre, UNIDO was in favour of establishing a network using the existing institutions in the region.

The proposed network approach entails activities at three levels:

- a) A small central secretariat, whose functions would be to promote co-operation, exchange of experience, prepare programmes for training and deal with matters related to legislation to protect and permit development of local consultancy.
- b) Existing institutions to be involved in the implementation of the programmes established. Specific tasks such as development of methodology for consultancy, organization seminars, etc. to be entrusted to these institutions.
- c) At the country level activities aimed at strengthening the operational and technological capabilities. Mixed consultancy assignments involving local specialists integrated with external experts in feasibility studies, trouble-shooting, etc. to develop the capacity on one hand and institutional strengthening on the other, would be the case of these activities.

CHAPTER 4

APPRAISAL OF THE SITUATION OF CONSULTANCY SERVICES
AND INSTITUTIONAL ARRANGEMENTS IN
OTHER COUNTRIES

Before proceeding to formulate a programme for the development of consultancy and management services in the African region, it would be worth while examining briefly the situation of the consultancy and management services and institutional and co-operative arrangements for the development of such services in other developing countries.

1. Consultancy and Management Services

The various private, semi-public and public agencies that in general provide consultancy and management services and the institutions that provide or organize such services in the developing and developed countries are schematically presented in Fig. 1. which is self-explanatory.

2. The Role of Consultancy Services in Developing Countries

In developing countries, the role of consultancy and management services assumes greater importance as the overall industrial infrastructure presents a number of constraints in critical areas as project formulation and evaluation; due to inadequate technological base, lack of industrial experience, shortage of personnel and paucity of data.

An important aspect to be considered is that in the developing countries the need for consultancy services exists not only at the enterprise level, but also at the government level in its role as promoter of industry. Assistance from such services may be required in areas of policy formulation, planning, implementation of specific measures; administration of public sector industries: to complement industrial extension services for the promotion of small-scale industries: in the establishment of new industries etc. The role of consultancy services in developing countries is much broader than in the developed countries.

A specific situation in many developing countries is that the large scale and heavy industry established in collaboration with foreign firms meet their needs through the technical services of collaboration arrangements.

The small and medium scale industry is dependent on the technical services provided by the public industrial promotion organizations and extension services, which are necessary at least till the industry is well established.

PRIVATE

CONSULTANTS
FIRMS

INDIVIDUALS

ORGANIZATIONS
INSTITUTIONS

TRADE
ASSOCIATIONS

INDUSTRY

LARGE INDUSTR.
ENTERPRISES

SEMI-PUBLIC

CONSULTANTS

ORGANIZATIONAL
CONSULTANTS

ORGANIZATIONS
INSTITUTES

PRODUCTIVITY
ORGANIZATIONS

INDUSTRY

LARGE INDUSTR.
ENTERPRISES

PUBLIC/
GOVERNMENT

CONSULTANTS

ORGANIZATIONAL
CONSULTANTS

ORGANIZATIONS
INSTITUTES

IND. PROMOTION
ORGANIZATIONS

INDUSTRIAL
ENTERPRISES

PUBLIC SECTOR
CORPORATIONS

CONSULTANCY SERVICES

Fig. 1

FIRMS

CONSORTIA

ASSOCIATIONS

FEDERATION OF
INDUSTRIES

MANAGEMENT
INSTITUTES

IND. RESEARCH
INSTITUTES

IND. RESEARCH
COUNCILS

STANDARDS
INSTITUTIONS

MANAGEMENT
INSTITUTES

UNIVERSITIES
TECHNOL. INST.

AD-HOC PANELS
OF CONS.

AD-HOC CONSOR-
TIA OF CONS.

GOVT. CONS.
SERVICES

GOVT. CONS.
INSTITUTES

EXTENSION
PROGRAMMES

PUBLIC SECTOR
IND. ENTERPRISES

3. An Overview of Consultancy Services in Developing Countries

In the developing countries, consultancy and management services are provided by some of the agencies mentioned previously, varying in nature, scope and pattern according to the needs, priorities and stage of development.

3.1 Private Consultancy Firms

In most countries some industrial consultancy services are provided by private individuals and small private firms mainly confined to preparation of market surveys, accounting, feasibility studies and project reports. Such services however, are offered on a personal rather than institutional basis. There are also certain medium size consultancy firms that are industry specific or function related. A few large private consultancy firms provide a wider range of services ranging from project formulations to implementation, including installation of machinery and trouble shooting at project management and plant operational levels. Such services are usually engaged by larger industrial corporation, but are beyond the reach of small and medium size enterprises.

3.2 Industrial Research Councils, Productivity Organizations and Management Institutes.

Semi-public autonomous bodies and agencies such as mentioned above, financed by government funds or grants, functioning under concerned ministries or departments and administered by executive committees or councils through directors appointed by the governments, provide, apart from their own activities, consultancy services to the industry.

The productivity organizations and their area "chapters" or councils, provide advise in specialized areas, organize training programmes, study tours and seminars. These organizations are usually well represented by trade associations, government agencies, professional bodies and industrial enterprises. The productivity organizations have a great deal of expertise.

In certain countries institutes and laboratories, though primarily intended for industrial research, do carry out consultancy work. These institutes provide direct consultancy to industrial enterprises on specific problems on payment basis. They generate and accumulate a high level of expertise and R and D capabilities. This facility and expertise however is often not fully utilized, and also tend to be too academic.

The management institutes extend considerable services to the industry, particularly to the larger industrial enterprises in areas of general management, production and financial management, organizational development, etc. on payment basis, and particularly through training programmes.

Consultancy services from universities and higher technical and technological institutes, in general, is limited. Attempts have been made in the past in some countries to get the universities interested in programmes of industrial development. Occasional co-operation in solving specific problems between industrial enterprises and universities and technological institutes does exist but is sporadic.

3.3 Public Agencies such as Industry Promotion Organizations and Extension Services

In most developing countries there are public agencies that provide various technical services and consultancy to the industry. These offer the services mainly to the small and medium scale industries, mostly free of charge. Judging by the considerable development of the small and medium scale industries in several countries, the services being rendered by these public agencies are commendable. But in spite of their best efforts, due to a variety of reasons ranging from administrative difficulties to staff training, the services are not always commensurate with the expectations.

3.4 Large Private and Public Sector Industries and Undertakings

In many of the large industries both in the private and public sectors, there are in-house consultancy services established. Some of the large corporations have their consultancy extensions. In certain countries large industries have been encouraged to establish industrial estates, with ancillary units for supply of components on sub-contract basis, with a view to secure technical services to the small industrial units. However, the services are limited to the ancillary units only.

The large industries, that do not have their own consultancy services, usually engage the services of private consultants and firms. However, these are normally for preparation of market surveys. In the case of other problems related to design and development, production and processes, etc. they either try to solve by themselves, or refer to foreign technical collaborators, where applicable.

4. Institutional Arrangements for Development of Services and Capabilities

Example of certain notable institutional arrangements that have been employed in different countries that contributed to the development of services and the local capabilities are briefly presented below.

4.1 Consortia of Consultancy Firms

In several countries consortia of consultancy firms and panels of individual consultants are formed from time to time on an ad-hoc basis to handle specific projects both domestic and external.

4.2 Consultants Associations

In most countries there are associations of consultants formed. In certain countries, for example Spain, an umbrella association which includes most of the consultancy firms has been created, operating, particularly in complex and large scale projects under its commercial name.

4.3 Direct Services Provided by Federation of Industries

In Sweden consultancy services to small firms are organized by the Federation of Industrial Trade Associations.

4.4 Consultants Trained by Productivity Council Attached to Trade Groups

Organizational consultants are trained by Productivity Council in Denmark and are attached to various trade groups, which receive government subsidies.

4.5 Consultancy Services by Industrial Research Councils

In several countries, the industrial research councils, primarily intended for industrial research, provide direct consultancy services to industry on specific problems on payment basis.

4.6 Universities and Technological Institutes

In certain countries well established institutionalized consultancy services are provided to industry by universities and technological institutes.

4.7 Direct Consulting Service from Government

In Norway a special wing under the concerned ministry is established to provide consultancy services to small-scale industry.

4.8 Consultancy Services from a Government Institute

Consultancy services to small scale industry is provided from a specialized consultancy institute established by the government for the purpose, in the Netherlands.

CHAPTER 5

AN ANALYSIS OF THE MANAGEMENT CAPABILITIES AND CONSULTANCY SERVICES NEEDED FOR IMPLEMENTATION OF THE DECADE PROGRAMME

In order to formulate a programme of action for the development of consultancy and management services it would be necessary to make an appraisal of the activity involved in the formulation and implementation of the Decade Programme in the preparatory and implementation phases, so as to ascertain the management capabilities required for the development and support of which the consultancy and management services are envisaged. It would also be necessary to identify the institutions foreseen for the reinforcement of which the above services are needed.

1. THE PREPARATORY PHASE (1982-1984)

To establish the national, sub-regional and regional strategies and programmes, the following activity is involved:

1.1 Activity at the national level

1.1.1 Identification of core projects

The National Co-ordinating committees that are set up to provide overall direction and guidance for the translation of the framework of the Decade into a national programme for the formulation, promotion, implementation and monitoring of the Decade at the national level, would identify core projects of major importance to the industrial development in each country and set long-term objectives to:

- i) prepare and update integrated industrial development plans involving
 - diagnosis of existing industrial structures, policies, incentives, etc.
 - surveys of natural resources
 - identification of priority industrial sectors
 - identification of production capacities
 - establishment of sectoral strategies and instruments and plans
 - formulation of development projections
 - identification of industrial projects.

- ii) establish long-term national programme for industrial labour force, introduce training programmes, policies, etc.
- iii) develop a national technology programme
- iv) establish a financing programme for national projects
- v) introduce a national energy development policy and programme
- vi) establish or strengthen national industrial development centres.

The above activity which is planned to be undertaken immediately after the Decade Programme is adopted by the conference of Ministers, to be completed in a relatively short time and to identify the major core projects is a difficult task and would involve extensive activity. The National Co-ordinating Committee would require advisory services. Apart from international assistance that is expected to be sought, and the interministerial and technical committees planned to be set up to advise and assist the National Co-ordinating Committee, it would be necessary to establish panels of local experts for advise at short notice in specific areas. Alternatively or in addition the MULPOC^{1/} or other intergovernmental sub-regional organization could form panels of experts drawn from countries of the sub-region to advise and assist the national co-ordinating committees within the sub-region.

The industrial development centres proposed to be established (or when existing to be strengthened) to implement the integrated development programme and prepare sectoral development programmes providing for project identification, preparation and evaluation, as well as for the preparation of feasibility studies for priority projects, and follow up the implementation of these projects would need management assistance in their establishment (or strengthening) and continous support of management and consultancy services. Basic management inputs should be provided to the staff of the centre through an initial training programme in the national management institute if one such exists. If such an institute

^{1/} Multinational Programming and Operational Centres at Yaoundé, Lusaka, Niamey, Tangiers and Gisenyi. For country groupings, see Annex I.

is not available within the country, or similar institutions in other countries of the region cannot accommodate such programs, then these initial inputs have to be provided by alternative means at the sub-regional level. Given the present situation in most countries this would be a necessity. Apart from the initial inputs, the centre would need continuous support during the preparatory and implementation phases. Such support usually can be organized with the help of semi-public institutions like productivity councils, but in their absence such services could be best realized by training management consultants at the sub-regional level and attaching them to the national industrial development centres. These would be on the basis of paid employment and could be called as "Organizational Consultants". The salaries would be met by the national governments. The training of the organizational consultants can be arranged by an institution like the MULPOC or other inter-governmental organization, and would involve basic training, general study-tours and specific on-the-job "experience-stay" with external project sponsors where applicable during the implementation phase. The personnel for these services have to be trained in advance if possible, before the actual operations start. The training has to be organized by a sub-regional institute or the units of the Regional Centre for Management and Consultancy Services, proposed to be located at the MULPOCs.

1.1.2. IMPROVEMENT OF GOVERNMENTAL MACHINERY

There could be need to evaluate the efficiency of governmental machinery that allocates the resources and regulates the agents of productions in the context of the formulation and implementation of the Decade Programme. The activities of the ministries in regulation, the effective functioning of the extension services, policies of location and incentives and such activities related to co-ordination with other ministries, the sub-regional and regional organizations, etc. during the preparatory phase; and project implementation and monitoring activities during the implementation phase have to be examined and the ministries and concerned departments have to be strengthened where necessary, and management support provided over limited time.

This would require either initial direct international assistance or assistance organized at the sub-regional level. The later can be arranged through a programme of training for the staff of the departments in co-operation with the countries of the sub-region, arranged by an inter-governmental organization. The programme may involve organizational development and study-tours to more advanced developing countries that have made appreciable advances starting from similar environment.

1.1.3. ORIENTATION AND OPERATIONAL DEVELOPMENT OF PUBLIC SECTOR INDUSTRY

Certain measures would be necessary in order to orient the public sector industry in the context of the Decade Programme and in general to improve its performance. A co-ordinative body, such as a Bureau of Public enterprises has been proposed to be established to evolve common policy and approaches to problems encountered in the enterprises. The other institutions recommended to be set up are an academy at the national level to provide management training at various levels to the managers of the enterprises and a permanent national machinery for consultations among public enterprises on performance improvement and role of public enterprises in the national economy etc. National associations of public enterprises has also been suggested to be established to promote multinational industrial co-operation and joint ventures.

The establishment of a Bureau of public enterprises or the strengthening of an existing one would need management assistance to effectively identify, establish and apply policies and practices in relation to the operations of public sector enterprises. This may require initial international assistance or again arranged at the sub-regional level, through a programme of training in the areas of policy, management of public sector enterprises, performance evaluation, etc. The specifics of the national policy framework of course have to be identified at the national level under the directives of the concerned ministries and with the involvement of the National Co-ordinating Committee. The Bureau of Public Enterprises may also be delegated with certain authority of controls in areas such as expenditures, and also import, if no separate department exists.

The training for managers of the public sector enterprises can be organized by an institute of management if one exists. A national academy for this purpose may not be necessary, at least in the initial stages. The training organised by a management institute could involve long-term residential courses in general management and short-term courses in specific areas organized by the staff of the institute in the enterprise. Different corporate management and functional management courses can be designed for senior and line managers. In the absence of an institute of management, in view of the time factor involved, until such an institute is established the training responsibility may be entrusted to the Bureau of Public Enterprises which by setting up an Organizational Development Unit can organize such training programmes. The staff of such a unit can be trained initially at the sub-regional level.

The managerial personnel needs continuous management support service for overall performance improvement and for establishing effective systems. Certain specific management inputs could be acquired from the external project sponsors in their plants, and/or experts of the sponsors deputed to the projects, agreed through separate technical services agreements. However, these arrangements would be through external sponsorship and usually for limited time.

The continuous management support and assistance in productivity-improvement, capacity utilisation, trouble shooting, etc. can be obtained through services from consultancy organizations. In the absence of such consultancy organizations and/or until they are well established and developed, these services can be organized by the national associations of public sector enterprises that are proposed to be established if not already done. These associations can hold a pool of consultants that would provide regular management and diagnostic consultancy services. These consultants can eventually be absorbed into the industry as managers or encouraged to set up private consultancy firms. The training of these consultants for the public sector pool can be organized by the national association of public sector enterprises at a sub-regional institute including study tours.

The national association of the enterprises can serve as a forum for the consultations among the enterprises as foreseen by the Decade Programme.

Large public sector undertakings may be encouraged to set up ancillary units for supply of components on sub-contract and thereby providing technical services to the units.

1.1.4. INVOLVEMENT IN THE DECADE
PROGRAMME OF PRIVATE SECTOR ENTERPRISES

In order to develop the private sector industry and to involve it in the Decade Programme geared to the needs of the people, certain activity by the Government to provide assistance to the sector is foreseen comprising of making available at subsidized cost or free of charge a portfolio of project profiles with all necessary data and pre-feasibility and feasibility studies; helping them in the selection of the projects; providing requisite information on facilities through investment centres; guidance in entering into collaborative arrangements with foreign companies and promoting management and consultancy skills.

The preparation of project profiles and feasibility studies together with broad technical and financial parameters and assistance to entrepreneurs in the selection etc. could be undertaken by the Industrial Development Centres discussed earlier. Information on facilities, credits, investment and incentives etc. could also be organized by the Industrial Development Centre including arrangements with credit institutions in the absence of an investment centre.

The management and consultancy services to the private sector enterprises may be provided by the organizational consultants attached to the centre on nominal fee basis. This should be organized in the early stages since the private enterprises would not be in a position to pay for such services from private consultancy organizations.

1.1.5. DEVELOPMENT AND SUPPORT TO SMALL-SCALE INDUSTRY

Development activity in the small-scale industry sector is a fundamental element in the Lagos Plan of Action. In order to develop this sector, apart from introducing policy measures such as the reservation of a number of items for exclusive manufacture by this sector, government protection, etc., the following activities are recommended :

- to set up a small-scale industry promotion organization to provide support and consultancy services including project design, detailed engineering, choice of technology, selection of machinery, project supervision, management consultancy and problems solving, etc.;
- to create a small-scale enterprise to collect information on the needs of the sector;
- to establish special marketing corporations, special investment corporations;
- to promote standardization and quality control and to promote managerial development and consultancy.

In the establishment of the small-scale industry promotion organizations or strengthening the existing ones, considerable management training for the staff of the organization and the extension services would be required. As the extension personnel provide the management and consultancy services to the small-scale industrial units, the training of these personnel is of great importance. Such training can be arranged for the staff in an institute of management.

The consultancy services provided by the promotional agencies sometimes tend to be inadequate due to the volume of operations involved and administrative difficulties, in such cases services available outside the agencies could be drawn upon. Arrangements such as engaging part-time private consultants, or attaching organizational consultants to trade groups or associations if such exist or to a group of small units engaged in a particular field. The training of such consultants can be organized by the promotional agencies at an institute of management either in the country or at the sub-regional level.

Separate small-scale enterprise promotion centres to collect information on the needs of the small entrepreneurs may not be necessary. This function can be undertaken by the small-scale industry promotion organization. This organization may also assist the entrepreneurs in their arrangements with the credit institutions and the marketing corporations.

Establishment of marketing corporations would require staff training in basic marketing management. This again could be arranged with the national management institute or an institute at the sub-regional level. In this activity close relationship and co-ordination with similar corporations in the countries of the sub-region would be of primary importance.

In the promotion of standardization and quality control, which is a special area, continuous consultancy services would be necessary. For this purpose the services of organizational consultants would be suited.

1.1.6. ENCOURAGEMENT OF FOREIGN INVESTORS

To encourage foreign investment, it is proposed to promote information systems, improve legislation, introduce incentives and tax reliefs and provide information on investment opportunities. This activity is recommended to be undertaken by the proposed investment centres. To train the staff of such investment centres, apart from basic training in financial management and investment promotion, special programmes would be necessary to acquaint the staff in the mechanics of foreign investment in the context of the objectives of the Decade Programme.

1.1.7. PROMOTION OF JOINT VENTURES

To promote joint ventures with foreign partners, it is proposed to provide assistance to local entrepreneurs, both public and private, to ensure mutually advantageous joint venture arrangements in accordance with national strategy and to this end support services are foreseen to be provided to local entrepreneurs during the process of negotiations. It is recommended to set up separate divisions in investment centres with expertise in joint venture negotiations. The staff for such functions require special management inputs in the areas of joint venture contracts, technical services, management and foreign consultancy fees, etc.

1.2 ACTIVITY AT THE SUB- REGIONAL AND REGIONAL LEVELS

1.2.1. ACTIVITY AT THE SUB-REGIONAL AND REGIONAL ORGANIZATIONS

This activity comprises of preparation of sectoral policies and programmes within strategic industrial branches; identification

of major industrial projects at the sub-regional level and strengthening and establishment of institutions in the sub-region aimed at promoting sub-regional industrial integration.

In the identification of sub-regional industrial projects, there is considerable activity involving data collection, analysis, sectoral studies, project studies, establishment of priorities, assessment of viability of projects, identification of projects and preparation of pre-feasibility and feasibility studies, some of these activities would require engagement of consultants for indepth analysis and study. The sub-regional inter-governmental organizations and MULPOC would need such assistance. Services of a sub-regional institute have to be drawn upon. Where studies are commissioned on foreign consultancy firms or organizations, personnel from the institute have to be involved right from the beginning to impart the necessary inputs. Panels of experts and consultants from the sub-region may be formed on ad-hoc basis to provide support in the activity of project preparation. The great potential of the MULPOCs should be fully utilised. The vast amount of information and studies resting with them should be made use of in the project studies. The sub-regional institute for management and consultancy services, the need for which has been identified in the appraisal of activity at the national level, is best situated under the auspices of the MULPOCS. Inter linkages among such institutes under a regional centre would provide a institutional mechanism for the provision and development of management and consultancy services at the national, sub-regional and regional levels, mobilising and generating capacities from within with the maximum multiplier effect.

2. ACTIVITY DURING THE IMPLEMENTATION PHASE (1985-1990)

The implementation phase comprises of the implementation of industrial projects and other activities defined during the preparatory phase : it would encompass the identification of technical partners, preparation of joint feasibility studies and mobilization of financial resources. The activity would largely aim at strengthening the

modalities adopted during the preparatory phase and adopting new measures, especially in the implementation of the national programmes for the Decade. Important aspects would be developing the requisite skills and strengthening and establishing national institutions.

2.1. ACTIVITY AT THE NATIONAL LEVEL DURING IMPLEMENTATION PHASE

2.1.1. DEVELOPMENT OF MANAGERIAL SKILLS AND MANAGEMENT SERVICES

In order to enhance and improve the capabilities of Governments and the various agents of production and distribution as well as the supporting institutions and services, it is emphasized that the key skills of corporate planning and implementation, ranging from project analysis to production control be developed locally. In this context the countries are urged to individually and collectively establish institutions for promoting the development of new and anticipated managerial and operational skills.

During this phase, in the implementation of projects, extensive management capabilities in the areas of project management to meet the time schedules and budgets and plant management to meet the production targets and realise the returns on investments with optimum capacity utilisation and improved added value, reporting and monitoring would be required. Considerable management and consultancy services would be needed throughout the implementation phase to support and sustain the capabilities. The services foreseen for development during the preparatory phase, discussed earlier in the chapter, are to be further developed to cater to the needs of the activity during the implementation phase. The arrangements suggested to organize and develop such services during the preparatory phase have to be continued in the implementation phase. As these services would be employed in actual operations of project implementation, the basic capabilities of the services should be developed in the preparatory phase itself, while the specific inputs would be acquired and developed "on-the-job" in the process of implementation

2.1.2. DEVELOPMENT OF CONSULTANCY ORGANIZATIONS

It has been proposed to reinforce or establish specialized national institutions in the areas of marketing, raw material procurement, solving problems of excess capacity, financing, development of managerial and operational skills, technology and information, and in order to reinforce and support the activities of the above institutions to create indigenous national industrial consultancy organizations. These consultancy organizations are foreseen to provide services in the preparation of pre-investment studies, specifications bids and contracts; appraisal of feasibility studies, bids and contracts; procurement of raw materials and inspection; overall monitoring and assessment of all project activities, on behalf of the governments, including scheduling, supervising and synchronising their implementation at both national and multinational levels and co-operation with other African countries in the organization, exchange and sub-contracting of consultancy and other industrial services.

The functions and areas of the management and consultancy services enumerated above are a continuation of those that been covered under the national activity in the preparatory phase earlier in the chapter and in the preceding paragraph. It should be stressed that the development of consultancy services should be initiated in advance to the implementation of projects, it should however be continued through.

An important aspect to be considered in the development of these services in the African region is that in the initial stages the consultancy organizations, if they are private may not be economically viable since the market is limited and still in the stage of development to be able to pay for such services. This would be possible when the industry is well established. Therefore it becomes necessary that such services should be organized from and through public and semi-public institutions and agencies not only for the small-scale industry

but also for large and medium scale both in public and private sectors. The private consultancy organizations would develop parallelly along with the establishment of the industry with the necessary government support. Hence the strategy should be to initiate the development of organized management and consultancy services as a public and semi-public service. The arrangements discussed earlier under the preparatory phase would be congenial for such an approach and would develop the services effectively at minimum cost and time.

The private consultancy organizations can develop through co-operation among themselves and participation in the national endeavour. Arrangements such as sub-contracting, forming of consortia of firms and function specific panels on the basis of complementarity of expertise. Such arrangement facilitate economic, efficient and competitive operations, enhance the quality and provide an opportunity to offer services at short notice to the industry as well as to the governments.

Associations of consultants can play an important role. Perhaps two aspects would be of primary importance :

- (1) to identify themselves with the national industrial policy objectives with a view to complement the actions of the Government;
- (2) to interact with the national associations or federations of industrial trade groups, industrial research councils, productivity organizations, management institutes, universities and other institutions of higher learning, in such a way their role in the development of consultancy capacities and expertise would be strengthened.

In the process of identification with the national policy objectives, the association could orient its operation so as to provide services to meet objectives such as improvement of productivity, increasing employment or development of small scale industries, etc. They could through their services supplement the activities of public agencies such as industry promotion organization and institutions.

Scope does exist to join hands with the public agencies in organizing "productivity drives", "economic services", etc. which would establish a continuous communication and contact with the industry. Possibility also exists to arrange or organize periodic short term training programmes to the staff of the public agencies. Such activity would enhance the status of the associations, help gain financial support from the government and also provide elements for formulation of policy at government level.

Another important aspect to be taken into consideration is that the industrial promotional and extension services by the public agencies are intended to be provided in the initial stages of development. When once the small and medium scale industries are successfully established and achieve viable operations, which may take up to about ten years, the technical consultancy service have to be taken over gradually by the more specialized services.

In interacting with the semi-public agencies such as industrial research councils, productivity organizations and management institutions and the like, the association of consultants can jointly organize training programmes, form panels of consultants, etc. The governments may commission such panels for preparation of studies and complex national projects.

2.2. ACTIVITY AT THE SUB-REGIONAL AND REGIONAL LEVELS DURING THE IMPLEMENTATION PHASE

Actions would include strengthening of the modalities adopted during the preparatory phase as well as adopting new modalities. Emphasis is laid on strengthening the capabilities of existing regional and sub-regional organizations and specialized institutions as well as establishing institutions. One of the institutions to be established at the regional level is the African Regional Centre for Industrial Consultancy and Management Services considered under an area of regional co-operation of high priority and as a pre-requisite for

for self-reliance. The elaboration of sectoral master plans and the establishment of integrated industrial programmes would be undertaken in collaboration with this institution.

The institutions for the provision and development of management and consultancy services at the sub-regional level, the need for which has been identified and discussed earlier should in fact together constitute the African Regional Centre for Consultancy and Management Services. The Centre being proposed is a regional institution with its constituent "units" or "philials" physically located at the sub-regional focal points provided by the MULPOCS to reach out to the "customer" in the field at the centre of activity more effectively and with a central administrative unit attached to one of the philials for co-ordination at the regional level, or located at the ECA Headquarters.

In the present context of the African situation where the emphasis is laid on development of management capabilities, the management and consultancy services have a two fold function, namely to develop the managerial capacities and to support and sustain them. Therefore it is necessary to establish organized and institutionalised services that would assist in the development of the capabilities in the first place by constant and continuous participation in the programme activity and in the second place to support them as the operations continue. Hence it should not be the intention to develop these services in isolation just only for support. In order to achieve this the institution for the development of management and consultancy services is being proposed to be in such a way, that would facilitate the development of the managerial personnel at all levels through organized programmes and the establishment of institution-alized services by training the personnel to deliver such services. Taking into consideration the scale and volume of operations involved in the above activity and the geographical vastness of the region, the institution is being proposed to be decentralized and to be situated in the sub-regions as a network of units with central co-ordination. Similar strategies have proven to be extremely efficient in the areas of education, industrial research and promotional services in large countries.

The activity of the institution will be carried through a programme network designed to meet the two needs of development of management capabilities and development of management and consultancy services, establishing interlinkages with institutions and the projects at the national and sub-regional levels. The details of such a programme network are indicated in the next chapter under programme of action and the project proposal for technical assistance (Appendix I).

It should be the concern of the national governments to establish the African Regional Centre for Management and Consultancy Services at the earliest in fact immediately, in view of the absolute necessity to initiate the development of the management capabilities in advance of the implementation of the Decade Programme.

CHAPTER 6
A PROGRAMME OF ACTION FOR THE DEVELOPMENT
OF MANAGEMENT AND CONSULTANCY SERVICES
IN THE AFRICA REGION

Based on the foregoing analysis of the needs and the means, a programme of action to develop the management and consultancy services is presented below in brief.

1. DECADE PROGRAMME ACTIONS

The programme of action, in broad terms, during the preparatory phase (1983-1984) would consist of the assessment of needs and identification of institutions and projects at the national and sub-regional levels; mobilization of support and resources through sub-regional and regional MULPOC meetings, as well as consultative meetings with governments and institutions and organizations; establishment of the units of the Regional Centre for Management and Consultancy Services at the MULPOCS; formulation of the programme network; start up and establishment of operations and services of the units of the centre and the institutional network among organizations and industry; and assessment in advance of the needs and identification of approved projects and the work programmes for the implementation phase.

During the implementation phase (1985-1990) the actions would include establishment of inter linkages with institutions established in the implementation phase; establishment of operations with projects under implementation and the continuation, consolidation and further development of the operations.

2. PROCESSING OF THE PROPOSAL

The above is a proposal to meet the need to develop indigenous management capabilities and the services to support them in the context of the strategy of self-reliant and self-sustained development, as

enumerated in the programme for the Industrial Development Decade within the framework of the Lagos Plan of Action, adopted by the Sixth Conference of African Ministers of Industry. In accordance with the terms of reference of the Joint Committee established by the three secretariats of ECA, OAU and UNIDO for the implementation of the Decade Programme, the above proposal as a regional project is being proposed. This proposal has to be processed through the channels established for the Decade programme. The proposal has to be presented, as a first step, to the planned meeting of the Plenipotentiaries. The proposal modified, if necessary, as per the deliberations of this meeting together with a position paper is to be submitted to the Seventh Conference of the African Ministers of Industry. If the meeting of Plenipotentiaries is not going to be held, then the proposal together with a technical paper may be submitted to the conference of the Ministers for approval.

3. INTERNATIONAL ASSISTANCE

The proposal is a regional project of the Decade Programme. Hence the responsibility for its implementation essentially lies with the African countries, the most critical action being at the national level, reinforced by collective action at the sub-regional and regional levels. However, in view of the large component, contributing to the creation and development of regional and sub-regional mechanisms for economic co-operation and integration, international financing from UNDP resources of regional IPF for Africa could be considered and sought for, though they might be limited.

The proposal falls under four of the ten priority actions namely the development of sub-regional and regional co-operation including technical co-operation among African countries; the development of human resources through appropriate programmes of education and training; industrial development; and development of planning and management, on which special emphasis has been put by the UNDP Regional Programme for Africa (1982-1986). Further the proposal is

governed by certain modalities which correspond to those that are identified to contribute to real impact at sub-regional and regional levels namely the orientation of the projects towards co-operative action in an established area of high priority with impact over the entire region; involvement of national, sub-regional and regional institutions that operate with the full support of governments and whose management and financing will be taken over by them ultimately; existence of a large regional component in the training of trainees and most importantly the establishment of "net-work" systems designed to serve as a tool for inter-country co-operation, with a large co-ordinating element for consideration of UNDP assistance to the project apart from the activities that are to be borne by the national IPF of the countries concerned.

4. A PROJECT PROPOSAL FOR TECHNICAL ASSISTANCE

The activities for a regional UNIDO/ECA project with UNDP regional IPF financing are indicated below and a project proposal to implement these activities is attached. These activities have to be correlated with the Decade Programme activities. The project is foreseen for a period of 3 years in two phases - a preparatory phase and an operational phase. The Project Proposal is enclosed (Appendix I).

4.1. PREPARATORY PHASE (1983-1984)

The activities would be primarily to

- i) assess more exactly the needs for the development of management capabilities and the management and consultancy services at the national, sub-regional and regional levels.
- ii) identify the existing and the planned institutions and organizations that need the assistance for the development of management capabilities and the services and those that would provide such assistance and services and the arrangements of co-operation at the national, sub-regional and regional levels.

- (iii) establish an institutional network of government departments and agencies; service institutions and centres; and industrial organizations and development corporations and the units of the Regional Centre located at the MULPOCS.
- (iv) formulate a programme network with programmes for the training of staff of government departments and agencies, service institutions and centres, industrial organizations and corporations; training of industrial managers in public and private sectors and entrepreneurs of small-scale industry; training of consultants; and training of trainees in the institutes and the units of the Regional Centre, at the national, sub-regional and regional levels including programmes of exchange of personnel and services.
- (v) identify in advance the needs, the institutions and projects of the implementation phase of the Decade Programme and establishment of the institutional framework and formulation of the work programme base.

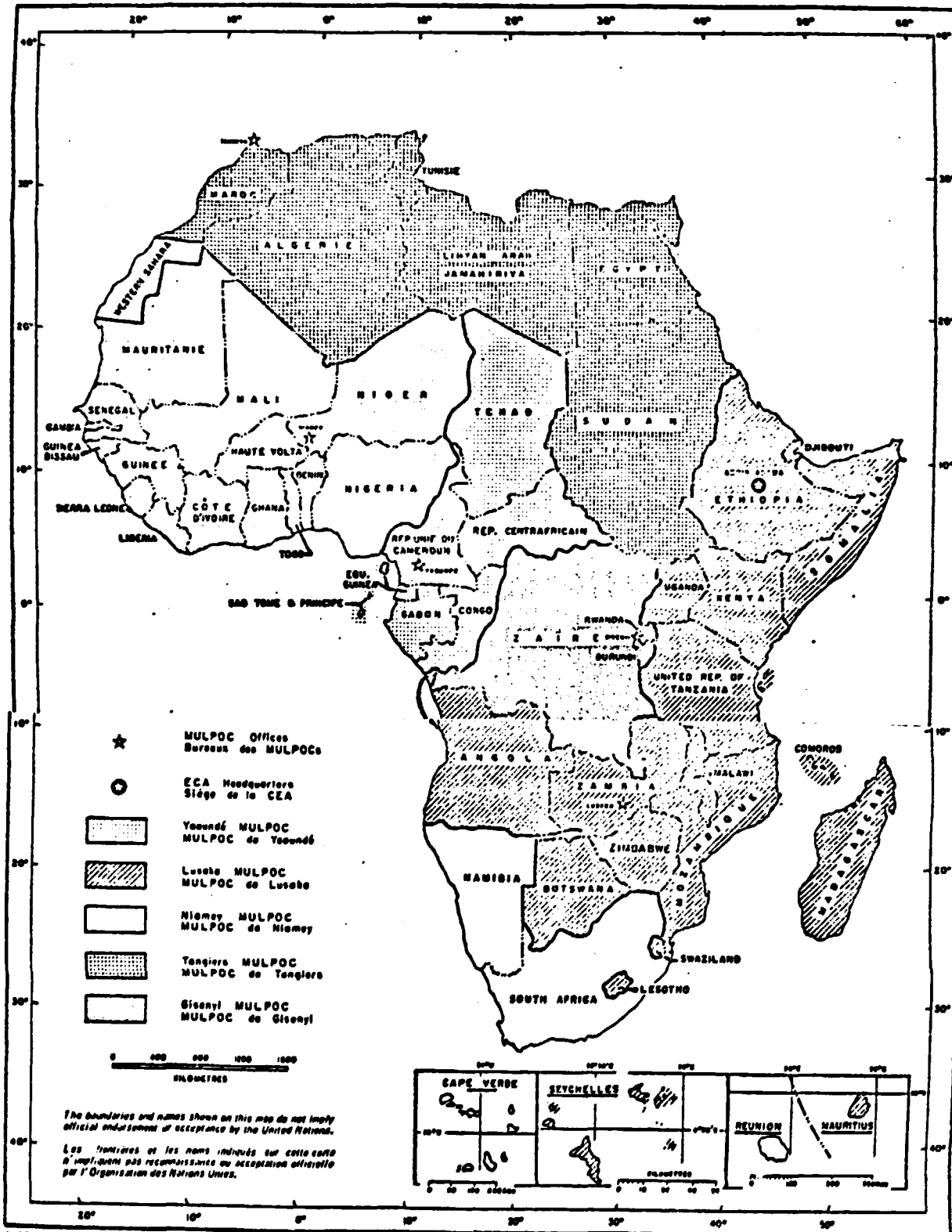
4.2. OPERATIONAL PHASE (1985)

The activities during this phase would comprise of :

- (i) identification of institutions that are introduced in the implementation phase of the Decade Programme.
- (ii) identification of the projects of the Decade Programme at the national sub-regional and regional levels approved for implementation in the period 1985-1990 and appraisal of their needs and services required.
- (iii) start up and establish the operations and services and implement the institutional inter linkage and the programme network at the national, sub-regional and regional levels.

- (iv) establishment of operations linking the new institutions and the projects initiated.
- (v) consolidation and set the mechanism in motion for further development of the capabilities and services.

MULPOC GROUPINGS PAYS MEMBRES DES MULPOCs



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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

PROJECT FOR THE AFRICA REGION

DRAFT PROJECT PROPOSAL

Title: Institutional and Programme Networks for
Development of Management and Consultancy
Services in the African Region

Duration: 3 years

Number:

Primary Function: Strengthening of Industrial Management

Special Considerations: i) ECDC/TCDC, Industrial Development Decade
for Africa, Institutional Twinning, Basic Industry,
LDCs;
ii) Africa Regional Programme Priorities: regional
co-operation, development of human resources,
industrial development, development planning and
management;
iii) Africa Regional Programme Modalities: regional
character, regional and sub-regional institutions,
training, "networks".

Sector: (ACC class and code) _____

Sub-sector: (ACC class and code) _____

Government Implementing Agency: Governments of countries of the Africa Region

Executing Agents: UNIDO/ECA

Estimated Starting Date: 1983

Project Sites: MULPOC Locations^{1/}

Government Inputs:

UNDP Inputs:

Preparatory Phase: US\$ 228,000

Operational Phase: US\$ 1,969,000

This project document and its annexes constitute the agreement amongst the signatories.

Agreed on behalf of OAU

Date

Agreed on behalf of UNIDO

Date

Agreed on behalf of ECA

Date

Agreed on behalf of UNDP

Date

^{1/} Multinational programming and operational centres at Yaoundé, Lusaka, Niamey, Tangiers and Gisenyi.

FACT SHEET

According to the objectives of the Lagos Plan of Action, the African countries intend to lay the foundation for industrial integration at the sub-regional and regional levels and to achieve a minimum of 1.4 per cent of world industrial production by 1990. In order to meet this target- the Industrial Development Decade envisages an enormous US\$ 140 billion investment over the period 1980-1990. The Decade Programme has been adopted by the Sixth Conference of African Ministers of Industry held in Addis Ababa from 23 to 25 November 1981. To implement this programme based on the twin principles of self-reliance and self-sustainment, a massive effort and extensive management capabilities at all levels are required. This points to the urgent need for the development of such capabilities, which in the context of self-sustained industrialization demands mobilization and pooling up of internal human resources with the maximum multiplier effect through provision of management and consultancy services in the region. The Decade Programme emphasizes on the development of these services and indicates the various modalities for implementation of actions at the national, sub-regional and regional levels. In the Lagos Plan of Action it is proposed to establish an African Regional Centre for Industrial Consultancy and Management Services. The Decade Programme emphasizes on the establishment of such a regional centre as a high priority regional action and a prerequisite for self-reliance.

The present project proposes an institutional and programme network for the development of management capabilities and consultancy services in the region.

In the present context of the African situation, where the need lies in the development of management capabilities, the management services have a two-fold function, namely to develop the managerial capabilities and to support and sustain them. Therefore, it is necessary to establish organized and institutionalized services that would fulfil the above need.

An institutional network involving all the major institutions for the development of the management capabilities and services, with a programme network aimed at development of such capabilities and services at the national, sub-regional and regional levels is being proposed to implement this strategy. The African Regional Centre for Management and Consultancy Services is proposed to be a network of units situated at the MULPOCs with a central co-ordinating unit at the ECA Headquarters.

The proposed project is aimed at supporting the co-ordinating element in establishing the "network" systems to develop regional co-operation. The technical assistance comprises of two phases: The preparatory phase to identify the needs and the framework for the networks and an operational phase to establish the networks and set them in motion.

The preparatory phase has an estimated budget of US\$228,000 for a period of 6 months; and the operational phase with a total budget of US\$1,969,000, for a duration of 27 months.

PART 1 - JUSTIFICATION OF THE PROJECT

1.1 Definition of the Development Objective and Strategy of the Industrial Development Decade for Africa

One of the most important objectives in the collective industrialization of Africa, based on the twin principles of self-reliance and self-sustainability, involving use of indigenous raw materials, labour and management, is to develop the indigenous industrial and management capabilities.

To realize the above objective, the programme for the formulation and implementation of the Industrial Development Decade for Africa, emphasis is laid on the development of skills for corporate planning and implementation, ranging from project analysis to production control in order to enhance the capabilities of the Governments and the various agents of production and distribution, in both the private and public sectors, that primarily implement the projects which constitute the core or driving force behind the self-reliant and self-sustained development.

To develop these skills and to support and sustain them, particular stress is laid on the development of management and consultancy services.

Priority is given to the establishment by the countries individually and collectively, institutions for promoting the development of new and anticipated managerial and operational skills and industrial consultancy and management services; with particular attention to the areas of project identification, preparation, evaluation, implementation, etc. Particular stress is laid on linkages with networks of industrial management institutes and specialized programmes particularly for industrial managers at the sub-regional and regional levels.

Emphasis is laid on the creation of indigenous consultancy organizations and capabilities to provide industrial management services related to the preparation of projects, pre-investment studies, specifications, bids and contracts, assistance to Governments in monitoring and assessment of all project activities including scheduling, supervising and synchronizing their implementation at national and multi-national levels.

To this end it was proposed, as an area of high priority, to establish an African Regional Centre for Management and Consultancy Services, as one of the prerequisites for self-reliance.

1.2 Contribution of the Project to Achieve the Devade Programme Development Objective

In order to develop the indigenous industrial and management capabilities within the framework of collective industrialization based on self-reliance and self-sustainment, in the context of the African situation and the Decade Programme, relevant skills at all levels have to be developed. The capabilities have to be generated and regenerated from within, mobilizing the existing resources and newly developed capabilities, with the minimum external dependence. To support and sustain these capabilities, management and consultancy services are needed. These services and the capabilities to provide them have to be again developed internally with the least assistance from outside. The services would have two functions - to develop the management skills and to support them. These considerations call for new and innovative measures to be undertaken.

The proposed project is expected to contribute to the development of management capabilities and the management and consultancy services, through a programme network interlinking the various institutions such as Government departments, public agencies, industrial organizations, enterprises in public and private sectors and projects with the service institutes and the units of the Regional Centre, whereby the staff of these institutions responsible for industry and implementation of the projects and the consultants to provide management services to these institutions, and industry are trained and utilized to generate further skills in a continuous process of development of capabilities and services.

The consultancy services are foreseen to be developed not by creating new isolated organizations removed from the industry, but by a deliberate dynamic system through which the industrial Development Centres, Bureaux of Public Enterprises, Small-scale Industry Promotion Centres and other specialized Marketing and Investment Corporations, identify their service needs and accordingly get their consultants trained in the national institutes and units of the regional centre at the sub-regional focal points and

attach them to the industrial enterprises, group of enterprises and extension services, who would provide management services and also undertake special drives for improvement of productivity, quality and projects. The project proposes this innovative strategy of developing institutionalized consultancy and management services that would facilitate the development of the services according to the needs and permit their optimum utilization. This would also lend itself to a directional development of the services in the areas required such as project preparation, feasibility studies, project management, production management, etc.

The project proposes to provide assistance in the establishment of the Regional Centre for Management and Consultancy Services. The Regional Centre is proposed to be set up ^{not} as a remote ivory tower, that is unutilized and ineffective for the purpose, but as an organized system of units, constituting the Regional Centre, located in the MULPOC groupings at the sub-regional level, and as a true centre for services reaching out to the "customer" in need of such service. The project proposes this innovative approach to avoid the erection of an unwieldy structure that cannot be maintained but to establish an institutional network that would provide the service. The units would lend flexibility of operation, effective coordination from a central unit, orientation to the needs of the countries in the grouping and also permit regional co-operation based on complementarity of expertise dictated by natural resource endowments and specializations of the sub-regions. The very nature of the function the centre is intended for, demands the decentralization of operations. An analysis of the management capabilities and consultancy services required in the implementation of the Decade Programme pointing to the urgent need of establishing the Regional Centre for the Development of such capabilities and services in the region is presented in Annex II.

PART 2 - MAIN ELEMENTS OF THE PROJECT

2.1. Project Immediate Objectives

The project aims at the establishment of an institutional network and a programme network for the development of management capabilities and management and consultancy services. The immediate objectives are given below:

- 2.1.1. To establish an institutional network involving the government departments, public agencies, industrial organizations, enterprises in public and private industry and projects and interlinking the national management institutions and the units of the proposed African Regional Centre for Management and Consultancy Services located at the MULPOCs and the central co-ordinating unit at ECA Headquarters; to develop management capabilities of the staff of the above institutions and management and consultancy services to these organizations and the industry and projects of the Decade Programme, at the national, sub-regional and regional levels.
- 2.1.2. To establish a programme network comprising of management training programmes for the staff of the agencies and organizations responsible for the development of industry and implementation of the projects of the Decade Programme and programmes for the training of consultants to provide management services to these organizations and to the industrial enterprises and projects, based on their needs, at the national, sub-regional and regional levels.
- 2.1.3. To implement an overall system of co-ordination in the implementation of the institutional and programme networks at the national, sub-regional and regional levels.

2.2. Outputs Needed to Achieve the Objectives

- 2.2.1. A framework for the institutional network. After a detailed assessment of the management capabilities of the organizations responsible for the development of industry and the existing institutions for the development of the capabilities and the needs of the industrial enterprises and projects of the Decade Programme.

- 2.2.2. Summary of activity for the programme network. After a detailed appraisal of the need for management and consultancy services of the above mentioned organizations and the industrial enterprises and projects.
- 2.2.3. Programmes for the enhancement of management capabilities of the personnel in the organizations responsible for development of industry; managers in industrial enterprises and projects; staff of management institutes; and for the training of organizational consultants and consultants of the pools and units of the Regional Centre; as well as programmes for the training of trainers at the units. Course materials, manuals, etc.
- 2.2.4. Management staff with adequate capabilities, at the organizations responsible for the development of industry and implementation of projects with well established systems for co-ordination, management, monitoring, internal reporting; management of extension services; investment and marketing and expertise in project preparation, evaluation etc., and feasibility studies.
- 2.2.5. Management staff with adequate capabilities in selected important industrial enterprises in public and private sectors with well established systems in production management, financial management, reporting, etc, and in projects of the Decade programme in area of project management.
- 2.2.6. Fully equipped faculty staff in existing management institutions to impart management capabilities through organized programmes for the personnel mentioned in 2.2.3 and 2.2.4.
- 2.2.7. Well trained teams of organizational consultants in the areas of services as identified by the organizations, that are trained in the institutions of management and/or the units of the Regional Centre and attached to the organizations, promotional and extension services and industrial trade groups or enterprises and projects.

- 2.2.8. Well equipped faculty staff members in the units of the Regional Centre located at the MULPOCS and trained pool of consultants in the units; and a team for co-ordination at the central co-ordinating unit located at ECA Headquarters.
- 2.2.9. Organized private individual consultants, consultancy firms, with arrangements for forming panels or consortia, and established associations of consultants.
- 2.2.10. A system for co-ordination of institutional inputs of the participating institutions and programme activity for the recipient personnel, organization of seminars and consultative meetings, joint programmes in training, operation and research.
- 2.2.11. A system for exchange of personnel and consultants among enterprises, institutions at the country, sub-regional and regional levels; as well as engaging foreign experts.

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

2.3 PROJECT WORK PLAN

Project Title: Institutional and Programme Network for the Development of Management and Consultancy Services in the African Region

Project Number:

Work Plan/Revision Number:

For Period from 1983 to 1985

Description	Staff Responsibility		1983	1984	1985
	Countries of the Region	Ex. Agencies	1 2 3 4 Q Q Q Q	1 2 3 4 Q Q Q Q	1 2 3 4 Q Q Q Q
A. Preparatory Phase (1983)					
Output 1. A Framework for the Institutional Network					
Activity 1.1 Survey of Institutions					
i) Identification of organizations, institutions.	5 Counterparts + support staff	3 Experts + support staff	—		
ii) Collection of data on capabilities and needs and analysis of services needed.					
iii) Identification of possibilities and arrangements for co-operation.					
iv) Preparation of Institutional Framework.					
Output 2. Programme Network					
Activity 2.1 Identification of needs for services	same staff	same staff	—		
i) Identification of areas of capabilities required.					
ii) Identification of areas of services needed.					
iii) Preparation of the activities for the Programme Network.					
Output 3(A) Programmes for development of management capabilities and training organizational consultants (Outlines).					
Activity 3(A).1 Preparation of programmes (outlines) for development of management capabilities.	same staff	same staff			
i) Special programme for staff of ministries.					
ii) Special progr. for staff of Bureaux of Public Enterprises.					
iii) Basic progr. for staff of Industrial Development Centres.					
iv) General progr. for staff of Small-Scale Industry Promotion Organizations/Extension Services.					
v) Special progr. for staff of Investment Centres and Marketing Corporations.					

Description	Staff Responsibility		1983				1984				1985			
	Countries of the Region	Ex. Agencies	1	2	3	4	1	2	3	4	1	2	3	4
			Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q
vi) General and special progr. for industrial managers. Activity 3(A).2 Preparation of programmes (outlines) for training of consultants. i) Progr. for organizational consultants for Industrial Development Centres. ii) Progr. for consultants for public sector enterprises. iii) Progr. for organizational consultants for trade groups or associations.	same staff	same staff				—								

Description

B. Operational Phase (1984-1985)

Output 3(B) Programmes for development of management capabilities and training organizational consultants.

Activity 3(B).1 Preparation of final programmes for development of management capabilities.

Activity 3(B).2 Preparation of final programmes for training of consultants.

Activity 3(B).3 Identification by organizations that are responsible for the development of industry, the specific areas where management services are required.

Output 4. Management staff with adequate capabilities at the organizations responsible for the development of industry.

Activity 4.1 Training of management staff

- i) Training for staff of ministries/in policy measures, allocation, regulation, etc; project evaluation, monitoring, etc; organization development/special programme arranged by ministry or intergovernmental organization/ at units of Regional Centre/ and study tours.**
- ii) Training for staff of Industrial Development Centres/ in project identification, preparation, evaluation; preparation of feasibility studies, implementation etc/ Basic programme arranged by ministry/at national management institute/or unit of Regional Centre/and study tours.**
- iii) Training for staff of Bureaux of Public Enterprises/ in policies and practices in relation to public sector enterprises, joint ventures; performance, evaluation, etc/special programme arranged by ministry/at national management institute/or at units of Regional Centre/and study tours.**
- iv) Training for staff of small-scale Industry Promotion Organization/in policy measures, extension, project design, engineering, technology, selection of machinery, etc; supervision, quality control/arranged by the promotion organization/at national management institute/ or at units of Regional Centre/and study tours.**

Staff Responsibility		1983				1984				1985			
Countries of the Region	Ex. Agencies	1	2	3	4	1	2	3	4	1	2	3	4
		Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q
5 Counterparts + support staff	4 Experts + support staff				—				—				—
20 Counterparts + support staff	5 Experts (incl. above 4)						—						—
								—					—
									—				—

Description

Output 5. Management staff with adequate capabilities in selected industrial enterprises, public and private.

Activity 5.1 Training of industrial managers

- i) Training of senior and line managers of selected industrial enterprises/in corporate management, production management, financial management, quality control, maintenance, etc; systems, reporting/ arranged by ministry at national management institute/ or by Bureaux of Public Sector Enterprises through an organizational development unit within the Bureau/or units of Regional Centre/and study tours.**
- ii) Training of project managers/in project management, PERT, etc; reporting/arranged by concerned ministry at national management institute/or units of Regional Centre.**

Output 6. Well equipped faculty staff in management institutes.

Activity 6.1 Training of faculty staff members of management institutes in areas indicated in activities 4.1 and 5.1.

Output 7. Well trained teams of organizational consultants.

Activity 7.1 Training of organizational consultants

- i) Training of organizational consultants/to be attached to Industrial Development centres/in areas identified by the centres/arranged by ministries/at the national management institutes/or at units of the Regional Centre; including basic training, study tours, on-the-job "experience-stay" with external project sponsors.**
- ii) Training of organizational consultants/to be held by a pool with the association of public sector enterprises/ in areas identified by the association/arranged by the Bureau of Public Enterprises or the association/at the national, sub-regional management institutes/or at the units of Regional Centre; including basic training, study tours, specific on-the-job service.**

Staff Responsibility		1983				1984				1985			
Countries of the Region	Ex. Agencies	1	2	3	4	1	2	3	4	1	2	3	4
		Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q
25 counterparts + support staff	same 5 experts + 9 consultants + support staff												
same staff as above	same staff as above												
20 counterparts + support staff	same staff as above												
20 counterparts + support staff	same staff as above												

Description

- iii) Training of organizational consultants/to be attached to trade associations, groups of industrial units, extension services/in areas identified by Small-Scale Industry Promotion Organizations/arranged by the organization/at national management institute/or at units of Regional Centre, including basic training, study tours and on-the-job service.
- iv) Special training programmes for consultants for sub-regional inter-governmental organizations and MULPOCs/ in areas of sectoral and sub-regional studies commissioned on external consultants/arranged by sub-regional organizations/at external consultants.

Output 8. Equipped staff members at the units of the Regional Centre

Activity 8.1 Training of staff members of units of the Regional Centre/in areas of management, organizational development, organization of consultancy services, etc/arranged by the centre/at the units.

Activity 8.2 Training of faculty staff members of the units of the Regional centre/in selected areas from among those mentioned in 4.1, 5.1 and 7.1.

Activity 8.3 Training of consultants for the pools at the units of Regional Centre/in selected areas from among those mentioned in 7.1.

Output 9. Organized private consultants and firms

Activity 9.1 Consultative meetings for arrangements and forming of panels, consortia and associations.

Activity 9.2 Consultative meetings for effective practices and methodology.

Output 10. System for co-ordination of institutional inputs and programme activity.

Activity 10.1 Establishing a common system for co-ordination of inputs of participating institutions.

Staff Responsibility		1983				1984				1985			
Countries of the Region	Ex. Agencies	1	2	3	4	1	2	3	4	1	2	3	4
		Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q
15 counterparts + support staff	same staff as above												
5 counterparts	same staff as above												
5 counterparts (from 8.1)	same staff												

Description

Activity 10.2 Establishing a common system of co-ordinating programme activity.

Activity 10.3 Organization of seminars.

Output 11. System of Co-operation

Activity 11.1 Evolving a system for exchange of experiences and personnel among institutions and enterprises at the country, sub-regional and regional levels.

Activity 11.2 Establishing a system for engaging foreign consultants and involvement of indigenous consultants in major projects.

Staff Responsibility		1983				1984				1985			
Countries of the Region	Ex. Agencies	1	2	3	4	1	2	3	4	1	2	3	4
		Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q
same staff as above	same staff as above												
5 counterparts (from 8.1)	same staff as above												

2.4 INPUTS NEEDED TO CARRY OUT THE WORK PLAN

2.4.1 Inputs from African countries

2.4.1.1 Preparatory Phase

	number of counterpart staff	drawn from	for Activity	period-months
i)	5	sub-regions, based on MULPOC groupings	survey of institutions and needs	6

2.4.1.2 Operational Phase

i)	5	same as above	Finalization of programmes	3
ii)	20	ministries (Ind. Dev. Centres, Bureaux of Publ. Enterprises, Small-scale Ind. Prom. Org.)	Training/management staff of organizations	6
iii)	25	ministries, Bureaux of Publ. Enterprises, small-scale Ind. Prom. Org. (Industrial Enterprises, projects)	Training/industrial and project managers	6
iv)	20	Management institutes at national, sub-regional levels	Training/staff of management institutes	5
v)	20	ministries, Inter-governmental Org., Bureaux of Publ. Enterprises, Small-scale Ind. Prom. Org., Associations of Public Enterpr., (Ind. Dev. centres, Org.Dev. Wings under Bureaux of Public Enterpr., Trade Groups, Associations of consultants)	Training organizational consultants	8

vi)	15	sub-regions, based on MULPOC groupings, ministries, the Regional Centre	Training/staff of Regional Centre Units	5
vii)	5	Associations of Consultancy firms	Organizing meetings for consultants and their organizations	6 - 9 (periodic)
viii)	5	same as in i)	establish systems for programme co-ordination etc. co-operation	3

In addition to above necessary administrative support staff.

2.4.2 UNIDO and ECA Inputs

2.4.2.1 Personnel

A. Preparatory Phase

	<u>Duration</u>
10. <u>Internationally recruited Experts</u> Attached to the Central Co-ordinating Unit of the Regional Centre, located at ECA Headquarters	
10.01 Consulting Engineer/Team Leader	6 m/m
10.02 Management Development Expert	6 m/m
10.03 Organization of Consultancy, Expert	6 m/m
13.00 <u>Support Personnel</u> Secretary, Typist, Driver and Messenger	
15.00 <u>Experts Travel Costs</u> including provision for: - investigating field missions - consultations with governments - other promotional activity	
16.00 <u>Mission Costs</u>	

35.00 Meetings
Sub-regional and regional inter-governmental meetings of experts and representatives of governments and institutions; travel and per-diem for participants from LDC's; travel per-diem and salary of interpreters and two consultants

49.00 Equipment
Typewriter, office equipment

50.00 Miscellaneous
Reports, Programme outlines etc.

B. Operational Phase

10. Internationally Recruited Experts
Attached to the central co-ordinating unit of the Regional Centre at ECA Headquarters

10.01 Consulting Engineer/Team Leader 27 m/m

10.02 Management Development Expert 27 m/m

10.03 Organizational Development Expert 27 m/m

10.04 Organization of Consultancy, Expert 27 m/m

10.05 Project and Production Management, Expert 24 m/m

10.06 Financial Management, Expert 21 m/m

11.40 Short-term Consultants 72 m/m

one each in the following areas:

9 major industrial sectors, namely:

Food processing, Textiles, Forest based industries, Building Materials and construction, Metallurgical, Chemical, Engineering, Small-scale, Packaging;

3 specialized areas namely:

Quality Control, Marketing, Investment

13. Support Personnel

Secretary, Typist, Driver, Messenger 108 m/m

15. Experts Travel Costs

- 16.00 Mission Costs
- 17.01 Locally hired experts
- 17.02 Locally hired consultants
- 32.00 Study Tours
- 35.00 Meetings/Consultations
- 49.00 Equipment
Audio-visual training material, office
equipment and vehicles
- 50.00 Miscellaneous
Manuals, Documents, Publications, Reports, etc



UNIDO

PROJECT BUDGET/REVISION

PART III - UNDP INPUTS "A"
(Preparatory Phase)

3. COUNTRY AFRICAN REGION	4. PROJECT NUMBER AND AMEND	5. SPECIFIC ACTIVITY 31.4.E
10. PROJECT TITLE Institutional and Programme Network for the Development of Management and Consultancy Services in the African Region/ Preparatory Phase		

15. 10.	PROJECT PERSONNEL EXPERTS / Post title	16. TOTAL		17. 1983		18.		19.		20.	
		m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
11-01	Consulting Engineer/Team Leader	6	43,800	6	43,800						
02	Management Development Expert	6	43,800	6	43,800						
03	Organization of Consultancy, Expert	6	43,800	6	43,800						
04											
05											
06											
07											
08											
09											
10											
11											
12											
13											
14											
11-99	SUBTOTAL:	18	131,400	18	131,400						
21. REMARKS											



UNIDO

PROJECT BUDGET/REVISION

PAGE 2

2. PAD NUMBER

4. PROJECT NUMBER	16. TOTAL		17. 1983		18.		19.		20.	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
12.01										
13.00	24	9,600	24	9,600						
14.00										
15.00		12,000		12,000						
16.00		6,000		6,000						
17.01										
17.02										
19.00		159,000		159,000						
20.										
29.00										
30.										
31.00										
32.00										
33.00										
34.00										
35.00		60,000		60,000						
39.00		60,000		60,000						
40.										
49.00		5,000		5,000						
50.										
51.00										
52.00		3,000		3,000						
53.00		1,000		1,000						
55.00										
59.00		4,000		4,000						
99.										
		228,000		228,000						



UNIDO

PROJECT BUDGET/REVISION

PART III - UNDP INPUTS "B"
(Operational Phase)

PAGE 1

3. COUNTRY African Region	4. PROJECT NUMBER AND AMEND	5. SPECIFIC ACTIVITY 31.4.E
10. PROJECT TITLE Institutional and Programme Network for the Development of Management and Consultancy Services in the African Region/ Operational Phase		

15. 10. PROJECT PERSONNEL 11 EXPERTS / Post title	16. TOTAL		17. 1983		18. 1984		19. 1985		20.	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
11-01 Consulting Engineer/Team Leader	27	197,100	3	21,900	12	87,600	12	87,600		
02 Management Development Expert	27	197,100	3	21,900	12	87,600	12	87,600		
03 Organizational Development Expert	27	197,100	3	21,900	12	87,600	12	87,600		
04 Organization of Consultancy, Expert	27	197,100	3	21,900	12	87,600	12	87,600		
05 Project and Production Management Expert	24	175,200			12	87,600	12	87,600		
06 Financial Management Expert	21	153,300			9	65,700	12	87,600		
40 Short-term Consultants	72	525,600			60	438,000	12	87,600		
08										
09										
10										
11										
12										
13										
14										
11-99 SUBTOTAL:	153	1,642,500	12	87,600	129	941,700	84	613,200		
21. REMARKS										



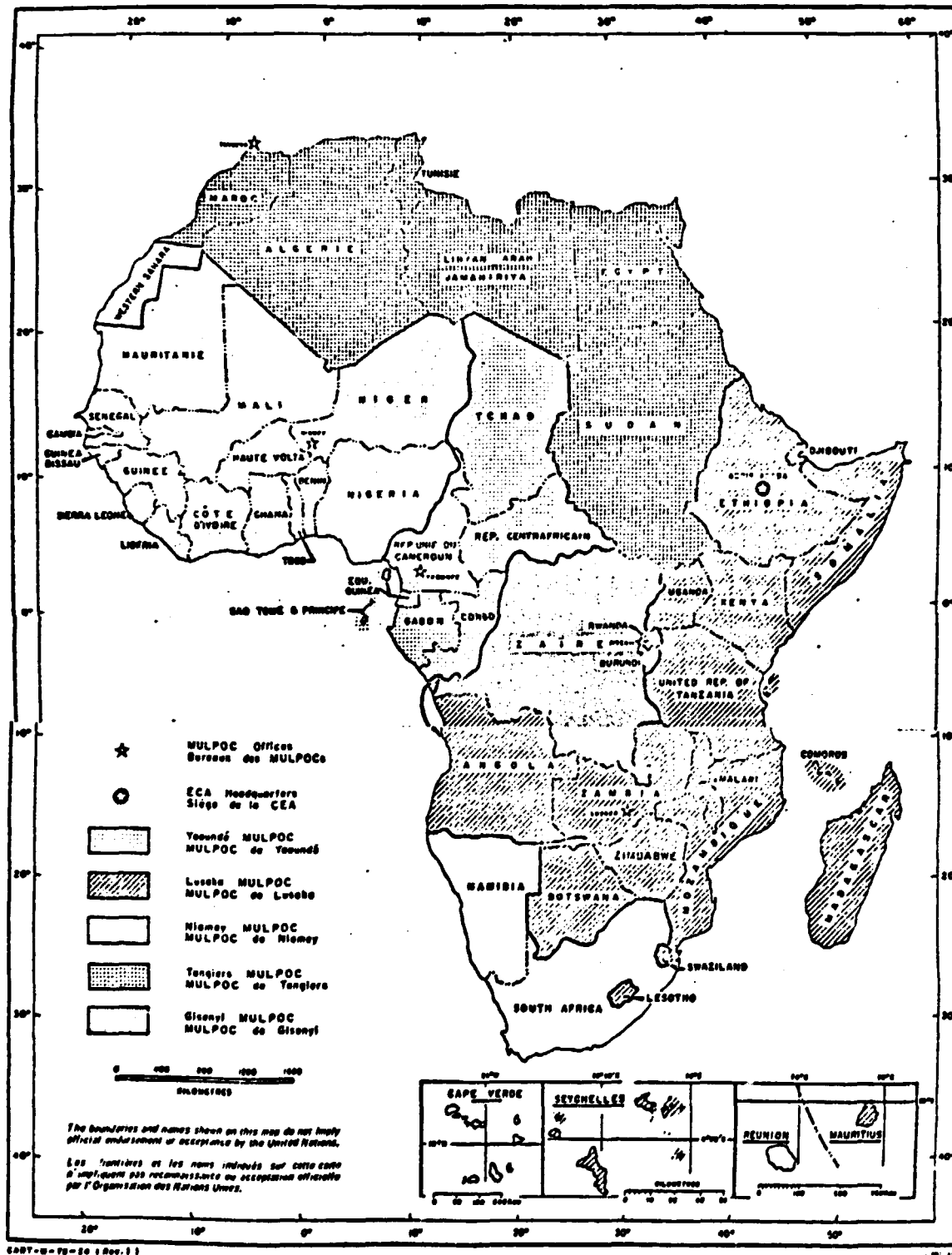
UNIDO

PROJECT BUDGET/REVISION

PAGE 2

4. PROJECT NUMBER	16. TOTAL		17. 1983		18. 1984		19. 1985		20. 2. PAD NUMBER	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
	12.01									
13.00	108	43,200	12	4,800	48	19,200	48	19,200		
14.00										
15.00		42,300				20,700		21,600		
16.00		9,000		3,000		3,000		3,000		
17.01		50,000		10,000		20,000		20,000		
17.02										
19.00		1,787,000		105,400		1,004,600		677,000		
20.										
29.00										
30.										
31.00										
32.00		60,000				50,000		10,000		
33.00										
34.00										
35.00		25,000				15,000		10,000		
39.00		85,000				65,000		20,000		
40.										
49.00		42,000		18,000		24,000				
50.										
51.00										
52.00		50,000		5,000		25,000		20,000		
53.00		5,000		1,000		2,000		2,000		
55.00										
59.00		55,000		6,000		27,000		22,000		
99.										
		GRAND TOTAL:								
		1,969,000		129,400		1,120,600		719,000		

MULPOC GROUPINGS PAYS MEMBRES DES MULPOCs



AN ANALYSIS OF THE MANAGEMENT CAPABILITIES
AND CONSULTANCY SERVICES NEEDED FOR
IMPLEMENTATION OF THE DECADE PROGRAMME.

AN ANALYSIS OF THE MANAGEMENT CAPABILITIES AND CONSULTANCY SERVICES NEEDED
FOR IMPLEMENTATION OF THE DECADE PROGRAMME

In order to formulate a programme of action for the development of consultancy and management services it would be necessary to make an appraisal of the activity involved in the formulation and implementation of the Decade Programme in the preparatory and implementation phases, so as to ascertain the management capabilities required for the development and support of which the consultancy and management services are envisaged. It would also be necessary to identify the institutions foreseen for the reinforcement of which the above services are needed.

1. THE PREPARATORY PHASE (1982-1984)

To establish the national, sub-regional and regional strategies and programmes, the following activity is involved:

1.1 Activity at the national level

1.1.1 Identification of core projects

The National Co-ordinating committees that are set up to provide overall direction and guidance for the translation of the framework of the Decade into a national programme for the formulation, promotion, implementation and monitoring of the Decade at the national level, would identify core projects of major importance to the industrial development in each country and set long-term objectives to:

- i) prepare and update integrated industrial development plans involving
 - diagnosis of existing industrial structures, policies, incentives, etc.
 - surveys of natural resources
 - identification of priority industrial sectors
 - identification of production capacities
 - establishment of sectoral strategies and instruments and plans
 - formulation of development projections
 - identification of industrial projects.

- ii) establish long-term national programme for industrial labour force, introduce training programmes, policies, etc.
- iii) develop a national technology programme
- iv) establish a financing programme for national projects
- v) introduce a national energy development policy and programme
- vi) establish or strengthen national industrial development centres.

The above activity which is planned to be undertaken immediately after the Decade Programme is adopted by the conference of Ministers, to be completed in a relatively short time and to identify the major core projects is a difficult task and would involve extensive activity. The National Co-ordinating Committee would require advisory services. Apart from international assistance that is expected to be sought, and the interministerial and technical committees planned to be set up to advise and assist the National Co-ordinating Committee, it would be necessary to establish panels of local experts for advise at short notice in specific areas. Alternatively or in addition the MULPOC^{1/} or other intergovernmental sub-regional organization could form panels of experts drawn from countries of the sub-region to advise and assist the national co-ordinating committees within the sub-region.

The industrial development centres proposed to be established (or when existing to be strengthened) to implement the integrated development programme and prepare sectoral development programmes providing for project identification, preparation and evaluation, as well as for the preparation of feasibility studies for priority projects, and follow up the implementation of these projects would need management assistance in their establishment (or strengthening) and continous support of management and consultancy services.

Basic management inputs should be provided to the staff of the centre through an initial training programme in the national management institute if one such exists. If such an institute

1/ Multinational Programming and Operational Centres at Yaoundé, Lusaka, Niamey, Tangiers and Gisenyi. For country groupings, see Annex I.

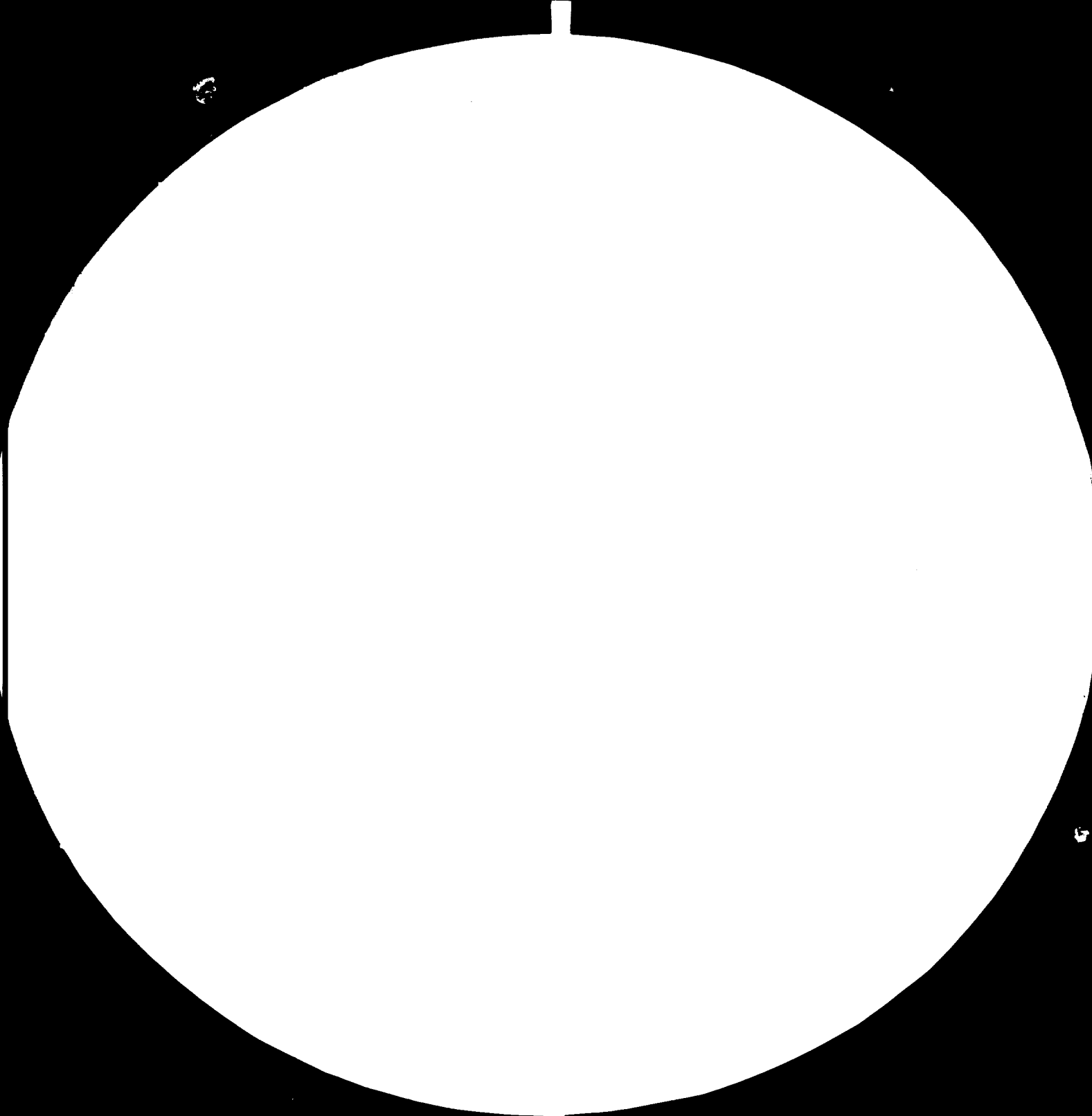
is not available within the country, or similar institutions in other countries of the region cannot accommodate such programme, then these initial inputs have to be provided by alternative means at the sub-regional level. Given the present situation in most countries this would be a necessity. Apart from the initial inputs, the centre would need continuous support during the preparatory and implementation phases. Such support usually can be organized with the help of semi-public institutions like productivity councils, but in their absence such services could be best realized by training management consultants at the sub-regional level and attaching them to the national industrial development centres. These would be on the basis of paid employment and could be called as "Organizational Consultants". The salaries would be met by the national governments. The training of the organizational consultants can be arranged by an institution like the MULPOC or other inter-governmental organization, and would involve basic training, general study-tours and specific on-the-job "experience-stay" with external project sponsors where applicable during the implementation phase. The personnel for these services have to be trained in advance if possible, before the actual operations start. The training has to be organized by a sub-regional institute or the units of the Regional Centre for Management and Consultancy Services, proposed to be located at the MULPOCs.

1.1.2. IMPROVEMENT OF GOVERNMENTAL MACHINERY

There could be need to evaluate the efficiency of governmental machinery that allocates the resources and regulates the agents of productions in the context of the formulation and implementation of the Decade Programme. The activities of the ministries in regulation, the effective functioning of the extension services, policies of location and incentives and such activities related to co-ordination with other ministries, the sub-regional and regional organizations, etc. during the preparatory phase; and project implementation and monitoring activities during the implementation phase have to be examined and the ministries and concerned departments have to be strengthened where necessary, and management support provided over limited time. This would require either initial direct international assistance or assistance organized at the sub-regional level. The later can be arranged through a programme of training for the staff of the departments in co-operation with the countries of the sub-region, arranged by an inter-governmental organization. The programme may involve organizational development and study-tours to more advanced developing countries that have made appreciable advances starting from similar environment.

1.1.3. ORIENTATION AND OPERATIONAL DEVELOPMENT OF PUBLIC SECTOR
INDUSTRY

Certain measures would be necessary in order to orient the public sector industry in the context of the Decade Programme and in general to improve its performance. A co-ordinative body, such as a Bureau of Public enterprises has been proposed to be established to evolve common policy and approaches to problems encountered in the enterprises. The other institutions recommended to be set up are an academy at the national level to provide management training at various levels to the managers of the enterprises and a permanent national machinery for consultations among public enterprises on performance improvement and role of public enterprises in the national economy etc. National associations of public enterprises has also been suggested to be established to promote multinational industrial co-operation and joint ventures.





4



MICROCOPY RESOLUTION TEST CHART

NATIONAL BUREAU OF STANDARDS-1963-A

The establishment of a Bureau of public enterprises or the strengthening of an existing one would need management assistance to effectively identify, establish and apply policies and practices in relation to the operations of public sector enterprises. This may require initial international assistance or again arranged at the sub-regional level, through a programme of training in the areas of policy, management of public sector enterprises, performance evaluation, etc. The specifics of the national policy framework of course have to be identified at the national level under the directives of the concerned ministries and with the involvement of the National Co-ordinating Committee. The Bureau of Public Enterprises may also be delegated with certain authority of controls in areas such as expenditures, and also import, if no separate department exists.

The training for managers of the public sector enterprises can be organized by an institute of management if one exists. A national academy for this purpose may not be necessary, at least in the initial stages. The training organised by a management institute could involve long-term residential courses in general management and short-term courses in specific areas organized by the staff of the institute in the enterprise. Different corporate management and functional management courses can be designed for senior and line managers. In the absence of an institute of management, in view of the time factor involved, until such an institute is established the training responsibility may be entrusted to the Bureau of Public Enterprises which by setting up an Organizational Development Unit can organize such training programmes. The staff of such a unit can be trained initially at the sub-regional level.

The managerial personnel needs continuous management support service for overall performance improvement and for establishing effective systems. Certain specific management inputs could be acquired from the external project sponsors in their plants, and/or experts of the sponsors deputed to the projects, agreed through separate technical services agreements. However, these arrangements would be through external sponsorship and usually for limited time.

The continuous management support and assistance in productivity-improvement, capacity utilisation, trouble shooting, etc. can be obtained through services from consultancy organizations. In the absence of such consultancy organizations and/or until they are well established and developed, these services can be organized by the national associations of public sector enterprises that are proposed to be established if not already done. These associations can hold a pool of consultants that would provide regular management and diagnostic consultancy services. These consultants can eventually be absorbed into the industry as managers or encouraged to set up private consultancy firms. The training of these consultants for the public sector pool can be organized by the national association of public sector enterprises at a sub-regional institute including study tours.

The national association of the enterprises can serve as a forum for the consultations among the enterprises as foreseen by the Decade Programme.

Large public sector undertakings may be encouraged to set up ancillary units for supply of components on sub-contract and thereby providing technical services to the units.

1.1.4. INVOLVEMENT IN THE DECADE
PROGRAMME OF PRIVATE SECTOR ENTERPRISES

In order to develop the private sector industry and to involve it in the Decade Programme geared to the needs of the people, certain activity by the Government to provide assistance to the sector is foreseen comprising of making available at subsidized cost or free of charge a portfolio of project profiles with all necessary data and pre-feasibility and feasibility studies; helping them in the selection of the projects; providing requisite information on facilities through investment centres; guidance in entering into collaborative arrangements with foreign companies and promoting management and consultancy skills.

The preparation of project profiles and feasibility studies together with broad technical and financial parameters and assistance to entrepreneurs in the selection etc. could be undertaken by the Industrial Development Centres discussed earlier. Information on facilities, credits, investment and incentives etc. could also be organized by the Industrial Development Centre including arrangements with credit institutions in the absence of an investment centre.

The management and consultancy services to the private sector enterprises may be provided by the organizational consultants attached to the centre on nominal fee basis. This should be organized in the early stages since the private enterprises would not be in a position to pay for such services from private consultancy organizations.

1.1.5. DEVELOPMENT AND SUPPORT TO SMALL-SCALE INDUSTRY

Development activity in the small-scale industry sector is a fundamental element in the Lagos Plan of Action. In order to develop this sector, apart from introducing policy measures such as the reservation of a number of items for exclusive manufacture by this sector, government protection, etc., the following activities are recommended :

- to set up a small-scale industry promotion organization to provide support and consultancy services including project design, detailed engineering, choice of technology, selection of machinery, project supervision, management consultancy and problems solving, etc.;
- to create a small-scale enterprise to collect information on the needs of the sector;
- to establish special marketing corporations, special investment corporations;
- to promote standardization and quality control and to promote managerial development and consultancy.

In the establishment of the small-scale industry promotion organizations or strengthening the existing ones, considerable management training for the staff of the organization and the extension services would be required. As the extension personnel provide the management and consultancy services to the small-scale industrial units, the training of these personnel is of great importance. Such training can be arranged for the staff in an institute of management.

The consultancy services provided by the promotional agencies sometimes tend to be inadequate due to the volume of operations involved and administrative difficulties, in such cases services available outside the agencies could be drawn upon. Arrangements such as engaging part-time private consultants, or attaching organizational consultants to trade groups or associations if such exist or to a group of small units engaged in a particular field. The training of such consultants can be organized by the promotional agencies at an institute of management either in the country or at the sub-regional level.

Separate small-scale enterprise promotion centres to collect information on the needs of the small entrepreneurs may not be necessary. This function can be undertaken by the small-scale industry promotion organization. This organization may also assist the entrepreneurs in their arrangements with the credit institutions and the marketing corporations.

Establishment of marketing corporations would require staff training in basic marketing management. This again could be arranged with the national management institute or an institute at the sub-regional level. In this activity close relationship and co-ordination with similar corporations in the countries of the sub-region would be of primary importance.

In the promotion of standardization and quality control, which is a special area, continuous consultancy services would be necessary. For this purpose the services of organizational consultants would be suited.

1.1.6. ENCOURAGEMENT OF FOREIGN INVESTORS

To encourage foreign investment, it is proposed to promote information systems, improve legislation, introduce incentives and tax reliefs and provide information on investment opportunities. This activity is recommended to be undertaken by the proposed investment centres. To train the staff of such investment centres, apart from basic training in financial management and investment promotion, special programmes would be necessary to acquaint the staff in the mechanics of foreign investment in the context of the objectives of the Decade Programme.

1.1.7. PROMOTION OF JOINT VENTURES

To promote joint ventures with foreign partners, it is proposed to provide assistance to local entrepreneurs, both public and private, to ensure mutually advantageous joint venture arrangements in accordance with national strategy and to this end support services are foreseen to be provided to local entrepreneurs during the process of negotiations. It is recommended to set up separate divisions in investment centres with expertise in joint venture negotiations. The staff for such functions require special management inputs in the areas of joint venture contracts, technical services, management and foreign consultancy fees, etc.

1.2 ACTIVITY AT THE SUB- REGIONAL AND REGIONAL LEVELS

1.2.1. ACTIVITY AT THE SUB-REGIONAL AND REGIONAL ORGANIZATIONS

This activity comprises of preparation of sectoral policies and programmes within strategic industrial branches; identification

of major industrial projects at the sub-regional level and strengthening and establishment of institutions in the sub-region aimed at promoting sub-regional industrial integration.

In the identification of sub-regional industrial projects, there is considerable activity involving data collection, analysis, sectoral studies, project studies, establishment of priorities, assessment of viability of projects, identification of projects and preparation of pre-feasibility and feasibility studies, some of these activities would require engagement of consultants for indepth analysis and study. The sub-regional inter-governmental organizations and MULPOC would need such assistance. Services of a sub-regional institute have to be drawn upon. Where studies are commissioned on foreign consultancy firms or organizations, personnel from the institute have to be involved right from the beginning to impart the necessary inputs. Panels of experts and consultants from the sub-region may be formed on ad-hoc basis to provide support in the activity of project preparation. The great potential of the MULPOCs should be fully utilised. The vast amount of information and studies resting with them should be made use of in the project studies. The sub-regional institute for management and consultancy services, the need for which has been identified in the appraisal of activity at the national level, is best situated under the auspices of the MULPOCS. Inter linkages among such institutes under a regional centre would provide a institutional mechanism for the provision and development of management and consultancy services at the national, sub-regional and regional levels, mobilising and generating capacities from within with the maximum multiplier effect.

2. ACTIVITY DURING THE IMPLEMENTATION PHASE (1985-1990)

The implementation phase comprises of the implementation of industrial projects and other activities defined during the preparatory phase : it would encompass the identification of technical partners, preparation of joint feasibility studies and mobilization of financial resources. The activity would largely aim at strengthening the

modalities adopted during the preparatory phase and adopting new measures, especially in the implementation of the national programmes for the Decade. Important aspects would be developing the requisite skills and strengthening and establishing national institutions.

2.1. ACTIVITY AT THE NATIONAL LEVEL DURING IMPLEMENTATION PHASE

2.1.1. DEVELOPMENT OF MANAGERIAL SKILLS AND MANAGEMENT SERVICES

In order to enhance and improve the capabilities of Governments and the various agents of production and distribution as well as the supporting institutions and services, it is emphasized that the key skills of corporate planning and implementation, ranging from project analysis to production control be developed locally. In this context the countries are urged to individually and collectively establish institutions for promoting the development of new and anticipated managerial and operational skills.

During this phase, in the implementation of projects, extensive management capabilities in the areas of project management to meet the time schedules and budgets and plant management to meet the production targets and realise the returns on investments with optimum capacity utilisation and improved added value, reporting and monitoring would be required. Considerable management and consultancy services would be needed throughout the implementation phase to support and sustain the capabilities. The services foreseen for development during the preparatory phase, discussed earlier in the chapter, are to be further developed to cater to the needs of the activity during the implementation phase. The arrangements suggested to organize and develop such services during the preparatory phase have to be continued in the implementation phase. As these services would be employed in actual operations of project implementation, the basic capabilities of the services should be developed in the preparatory phase itself, while the specific inputs would be acquired and developed "on-the-job" in the process of implementation

2.1.2. DEVELOPMENT OF CONSULTANCY ORGANIZATIONS

It has been proposed to reinforce or establish specialized national institutions in the areas of marketing, raw material procurement, solving problems of excess capacity, financing, development of managerial and operational skills, technology and information, and in order to reinforce and support the activities of the above institutions to create indigenous national industrial consultancy organizations. These consultancy organizations are foreseen to provide services in the preparation of pre-investment studies, specifications bids and contracts; appraisal of feasibility studies, bids and contracts; procurement of raw materials and inspection; overall monitoring and assessment of all project activities, on behalf of the governments, including scheduling, supervising and synchronising their implementation at both national and multinational levels and co-operation with other African countries in the organization, exchange and sub-contracting of consultancy and other industrial services.

The functions and areas of the management and consultancy services enumerated above are a continuation of those that been covered under the national activity in the preparatory phase earlier in the chapter and in the preceding paragraph. It should be stressed that the development of consultancy services should be initiated in advance to the implementation of projects, it should however be continued through.

An important aspect to be considered in the development of these services in the African region is that in the initial stages the consultancy organizations, if they are private may not be economically viable since the market is limited and still in the stage of development to be able to pay for such services. This would be possible when the industry is well established. Therefore it becomes necessary that such services should be organized from and through public and semi-public institutions and agencies not only for the small-scale industry

but also for large and medium scale both in public and private sectors. The private consultancy organizations would develop parallelly along with the establishment of the industry with the necessary government support. Hence the strategy should be to initiate the development of organized management and consultancy services as a public and semi-public service. The arrangements discussed earlier under the preparatory phase would be congenial for such an approach and would develop the services effectively at minimum cost and time.

The private consultancy organizations can develop through co-operation among themselves and participation in the national endeavour. Arrangements such as sub-contracting, forming of consortia of firms and function specific panels on the basis of complementarity of expertise. Such arrangement facilitate economic, efficient and competitive operations, enhance the quality and provide an opportunity to offer services at short notice to the industry as well as to the governments.

Associations of consultants can play an important role. Perhaps two aspects would be of primary importance :

- (1) to identify themselves with the national industrial policy objectives with a view to complement the actions of the Government;
- (2) to interact with the national associations or federations of industrial trade groups, industrial research councils, productivity organizations, management institutes, universities and other institutions of higher learning, in such a way their role in the development of consultancy capacities and expertise would be strengthened.

In the process of identification with the national policy objectives, the association could orient its operation so as to provide services to meet objectives such as improvement of productivity, increasing employment or development of small scale industries, etc. They could through their services supplement the activities of public agencies such as industry promotion organization and institutions.

Scope does exist to join hands with the public agencies in organizing "productivity drives", "economic services", etc. which would establish a continuous communication and contact with the industry. Possibility also exists to arrange or organize periodic short term training programmes to the staff of the public agencies. Such activity would enhance the status of the associations, help gain financial support from the government and also provide elements for formulation of policy at government level.

Another important aspect to be taken into consideration is that the industrial promotional and extension services by the public agencies are intended to be provided in the initial stages of development. When once the small and medium scale industries are successfully established and achieve viable operations, which may take up to about ten years, the technical consultancy service have to be taken over gradually by the more specialized services.

In interacting with the semi-public agencies such as industrial research councils, productivity organizations and management institutions and the like, the association of consultants can jointly organize training programmes, form panels of consultants, etc. The governments may commission such panels for preparation of studies and complex national projects.

2.2. ACTIVITY AT THE SUB-REGIONAL AND REGIONAL LEVELS DURING THE IMPLEMENTATION PHASE

Actions would include strengthening of the modalities adopted during the preparatory phase as well as adopting new modalities. Emphasis is laid on strengthening the capabilities of existing regional and sub-regional organizations and specialized institutions as well as establishing institutions. One of the institutions to be established at the regional level is the African Regional Centre for Industrial Consultancy and Management Services considered under an area of regional co-operation of high priority and as a pre-requisite for

for self-reliance. The elaboration of sectoral master plans and the establishment of integrated industrial programmes would be undertaken in collaboration with this institution.

The institutions for the provision and development of management and consultancy services at the sub-regional level, the need for which has been identified and discussed earlier should in fact together constitute the African Regional Centre for Consultancy and Management Services. The Centre being proposed is a regional institution with its constituent "units" or "philials" physically located at the sub-regional focal points provided by the MULPOCS to reach out to the "customer" in the field at the centre of activity more effectively and with a central administrative unit attached to one of the philials for co-ordination at the regional level, or located at the ECA Headquarters.

In the present context of the African situation where the emphasis is laid on development of management capabilities, the management and consultancy services have a two fold function, namely to develop the managerial capacities and to support and sustain them. Therefore it is necessary to establish organized and institutionalised services that would assist in the development of the capabilities in the first place by constant and continuous participation in the programme activity and in the second place to support them as the operations continue. Hence it should not be the intention to develop these services in isolation just only for support. In order to achieve this the institution for the development of management and consultancy services is being proposed to be in such a way, that would facilitate the development of the managerial personnel at all levels through organized programmes and the establishment of institutionalized services by training the personnel to deliver such services. Taking into consideration the scale and volume of operations involved in the above activity and the geographical vastness of the region, the institution is being proposed to be decentralized and to be situated in the sub-regions as a network of units with central co-ordination. Similar strategies have proven to be extremely efficient in the areas of education, industrial research and promotional services in large countries.

The activity of the institution will be carried through a programme network designed to meet the two needs of development of management capabilities and development of management and consultancy services, establishing interlinkages with institutions and the projects at the national and sub-regional levels. The details of such a programme network are indicated in the next chapter under programme of action and the project proposal for technical assistance (Appendix I).

It should be the concern of the national governments to establish the African Regional Centre for Management and Consultancy Services at the earliest in fact immediately, in view of the absolute necessity to initiate the development of the management capabilities in advance of the implementation of the Decade Programme.

INSTITUTIONAL FRAMEWORK

The Head Quarters of ECA at Addis Ababa shall be the base of operation for the proposed project. The African Regional Centre for Management and Consultancy Services is proposed to be established as a network of units situated in the MULPOC locations with a central co-ordinating unit at the ECA Head Quarters. The units would evolve an institutional network involving national, sub-regional and regional institutions and organizations. These will be the supporting institutions participating in the network. The activities and work plan shall be prepared by the Chief Technical Adviser with his team of experts, agreed upon with the participating institutions and organizations. The implementation of the activities shall be in accordance with the final work programme. The establishment of the Regional Centre, as a regional project of the Decade Programme shall be governed by the modalities of implementation of the Decade Programme through the established competent channels. The activities of the proposed project, related to the Regional Centre, will be correlated with the establishment of the Centre by the African countries.

