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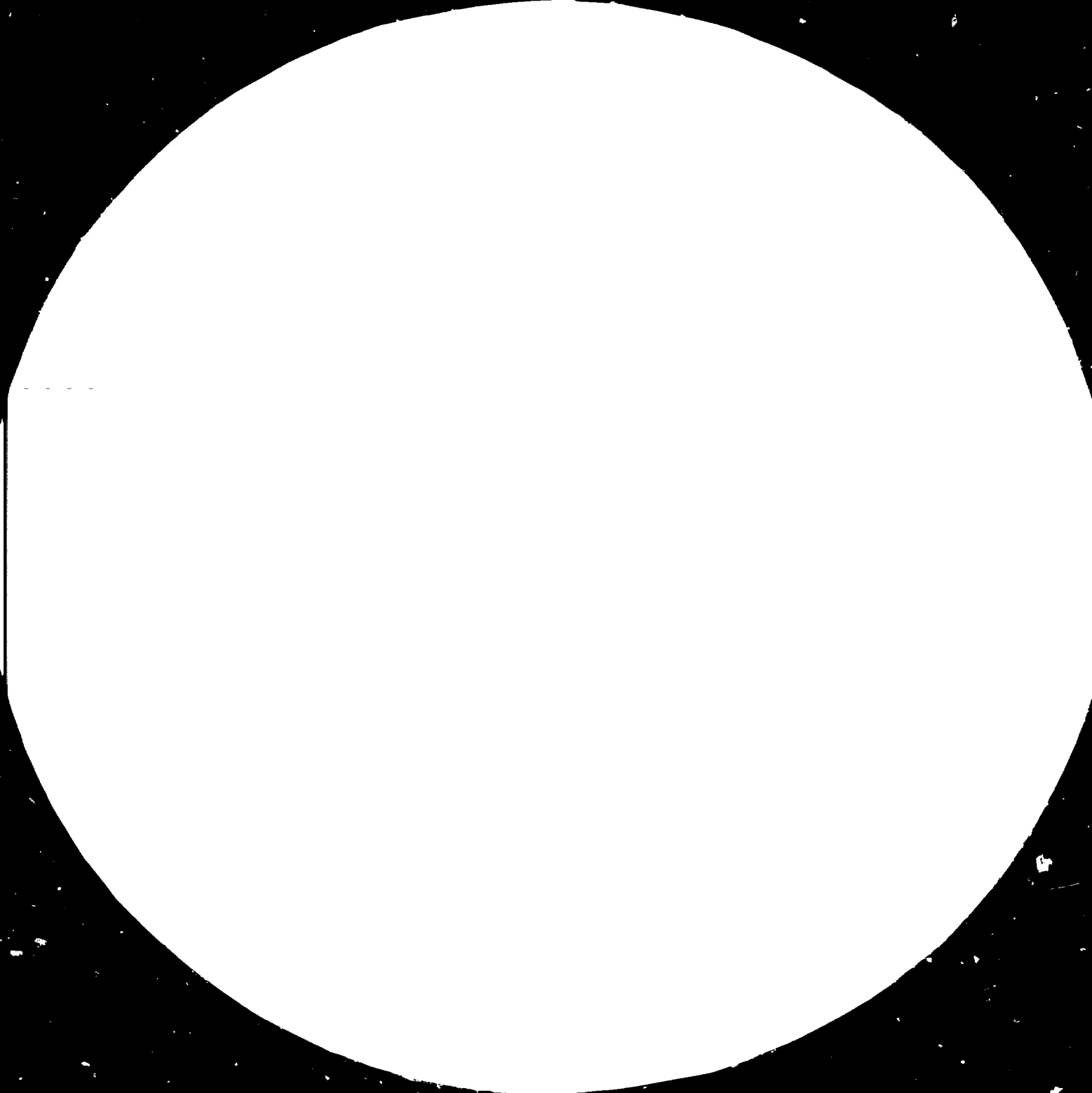
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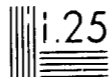


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INTERNAL

25 January 1983

REGIONAL COOPERATION PROGRAMME
FOR THE DEVELOPMENT PROMOTION OF FERTILIZER PRODUCTION
AND UTILIZATION IN ARAB STATES

DP/RAB/78/021

Report

on meetings with the project evaluation mission of UNDP *

Kuwait, 22-24 November 1982
New York, 13-15 December 1982

by S.R. Panfil
Senior Interregional Adviser

United Nations Industrial Development Organization
Vienna

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1.0. BACKGROUND OF THE PROJECT REVIEW MISSION

The project has been implemented since early 1980 by UNIDO in co-operation with the Arab Industrial Development Organization (AIDO), the Arab Federation of Chemical Fertilizer Producers (AFCFP) and FAO. It faced many organizational problems because it was not possible for the Government counterpart agency (AIDO) to appoint a national (regional) project director. Moreover, AIDO (former IDCAS) moved during this period from Cairo to Tunis and finally established its office in Baghdad. The organization, however, had lost almost all substantive personnel who were previously engaged in the Arab fertilizer development programme of IDCAS, whereas the existence of the programme was the key factor for justification of the regional project of UNDP.

The internationally recruited project manager, assigned by UNIDO by end 1981, as jointly agreed between UNDP, AIDO and AFCFP was assumed to organize project activities at AIDO's office in Baghdad, in cooperation with AFCFP and FAO. Because of his personality serious disparities of approaches and attitudes emerged between him and the persons involved at AIDO and AFCFP. Consequently, he could not properly perform and discharge his duties. UNIDO had to arrange for his temporary placement at the office of AFCFP in Kuwait as it was not possible to receive an official resident's visa in time for his assignment in Baghdad. Many other minor problems arising from personal matters of the UNIDO project manager as well as dissatisfaction on part of the counterparts and UNIDO HQ regarding the cooperative arrangements between him, AIDO and AFCFP led to his resignation in April 1982, which was accepted by UNIDO while taking into account the pertinent claims and recommendations of AIDO and AFCFP.

Thereafter, AIDO again (formally) took over the project management function as originally defined in the project document.

Nevertheless, despite continuing organizational problems UNIDO managed to implement between 1980 and 1982 a major part of the activities, mainly the so-called "group training programmes" under budget line 32, in cooperation with AFCFP and AIDO. In many instances UNIDO HQ had to take the lead in lieu of AIDO in organizing the work as required by UNDP/UNIDO standard rules. The relatively small equipment component was

implemented to the extent justifiable under prevailing circumstances, leaving by the end of 1982 US\$ 70 270 unspent, mainly for training aids.

Two groups of activities were not implemented as expected originally when the project document was formulated:

- a) short term expert services, and
- b) the agriculture related activities which had been subcontracted to FAO, as advised by UNDP. (For this purpose an amount of US\$ 240 000 was added to the project budget and outline of activities originally established in 1978, before the project was approved by UNDP in August 1979.

Although many activities were implemented in a less costly way than previously estimated the rate of utilization of funds allocated by UNDP was relatively low over the past 3 years (US\$ 390 425 out of 1 292 679 approved).

Consequently, UNDP decided to engage two consultants to visit some selected Arab countries which were assumed to have benefitted from the regional fertilizer programme. While Mr. Panfil, the backstopping officer of the project at UNIDO, was absent on mission to Pakistan one of the two UNDP consultants passed through Vienna at the beginning of the evaluation mission on his way to FAO/Rome, as envisaged in the travel schedule and mission programme prepared by UNDP. He was properly briefed in great detail in Vienna at DIO/CHEM on all salient features of the project, and had an insight in the eleven files of correspondence and all the reports produced during its implementation. (Reference: Annex 1 - Description of salient points for briefing of the UNDP mission at UNIDO Vienna).

The consultant worked at UNIDO for 3 days and thereafter proceeded to Rome where he met with the counterpart officer of the project at FAO. The second consultant of UNDP joined him at FAO. However, it was not possible for UNIDO to make a staff member available to participate in the evaluation mission to selected Arab countries for one full month. At the request of Mr. Faraq (the consultant briefed at UNIDO HQ) Mr. Panfil received the instruction to meet with the mission team at UNIDO/ Baghdad and AFCFP/Kuwait on their way to Arab countries. At that time (on 19 November 1982) Mr. Panfil still chaired the UNIDO Seminar on Mini Fertilizer Plants at Lahore/Pakistan but it was not possible for him to make the

necessary arrangements at short notice to go to Iraq (visa requirements!) Despite similarly cumbersome visa regulations in Kuwait he managed with help of UNDP Kuwait and AFCFP to come on 21 November 1982 to Kuwait. He arrived right in time, and as requested met with all the key persons involved. He participated in the discussions at UNDP, AFCFP and P.I.C. (Petrochemical Industries Company). AIDO delegated its representative, Mr. Saloum, also for the same purpose to Kuwait. He joined the evaluation mission team and participated in its work at Qatar and Saudi Arabia.

In this way, through the arrangements finally successfully made in time, the most important project review meeting was held at the AFCFP Office in Kuwait, in presence of its Chairman.

At the end of the mission of the two members of the project evaluation team Mr. Panfil met with the team again at UNDP HQ, and participated in the debriefing sessions held at the Regional Bureau for Arab States.

In consistency with the sequence of activities delineated above, this report covers the project review meeting at AFCFP and the debriefing sessions at UNDP New York. The terms of reference of the project evaluation mission established by UNDP New York are attached as Annex 2.

2.0. DISCUSSIONS AT AFCFP AND UNDP KUWAIT

In accordance with the original travel schedule of the UNDP mission, on 23 and 24 November meetings took place at the office of the Resident Representative of UNDP, the Headoffice of AFCFP and at the Petrochemical Industries Company of Kuwait at Shuiba. Prior to arrival of the team of UNDP consultants on 22 November 1982 Mr. Panfil was received by Mr. Bedvi, Resident Representative a.i. of UNDP for briefing and informing on the background and purpose of the evaluation mission which was organized at the initiative of UNDP HQ.

The following persons took part in the substantive discussions on the project held on 23 and 24 November 1982:

- Mr. Ali A.S. Bedvi (RR a.i.)
- Dr. Zaki F. El-Adawy (UNDP Consultant - Professor of Business Admin.)
- Mr. Abdel Fattah Faruq (UNDP Consultant - Fertilizer Expert)
- Mr. Monayed N. Saloum (National project counterpart at AIDO)

Dr.M.Y. Abu Khader (Executive Secretary - Chairman AFCFP)

Mr. Ali H. Al-Zatari (UNDP Programme Officer).

The meeting at P.I.C. was arranged specifically for the evaluation mission team of UNDP as the assessment of P.I.C.'s support to the project and P.I.C.'s views on the cooperation with AFCFP, AIDO and UNIDO (well known to and appreciated by UNIDO) were part of the independent evaluation exercise. Conclusions drawn from the meeting at P.I.C. were expected to appear in the report of the UNDP Consultants. Therefore, this mission report concentrates on matters relating to the project document primarily discussed between the representatives of AFCFP, AIDO, UNIDO and the UNDP mission.

The UNDP consultants were briefed jointly by AIDO, AFCFP and the UNIDO mission on details of the background of the project and on problems regarding its implementation, mainly caused by the organizational disturbances at IDCAS/AIDO between 1978 and 1982 and its changing location. The discussions extensively dwelled on AIDO's performance and substantive matters which were not adequately reviewed during the UNDP team's visit to AIDO on 20/21 November 1982. Views were exchanged on the misunderstandings which arose around the function and performance of the UNIDO project manager who had temporarily been hosted for four months by AFCFP, while UNDP Baghdad and AIDO did not succeed in obtaining the official acceptance from the Government of Iraq in proper time permitting UNIDO to place him at AIDO's office in Baghdad. Personality problems and divergence of views regarding his role as well as his attitude were identified as a major cause of the difficulties in establishing a good working relationship between him as project manager and his counterparts at AIDO and AFCFP.

The meeting concluded that the unsuccessful attempt to appoint an internationally recruited (UNIDO) expert as project manager should be regarded as a closed chapter of the project, in particular since AIDO has stated immediately after his resignation that an external project manager is not needed for the implementation of the project by AIDO's own staff.

In this connection the UNIDO mission pointed out that AIDO should formally nominate a project manager and his technical assistance to work

on a full time basis as stipulated in the project document. Moreover, the project manager (national project director) will have to follow the rules and procedures of UNDP in respect of activities supported by UNDP's financial inputs. This appeared to be not properly recognized by AIDO. The UNDP evaluation mission was expected to recommend corrective measures. The representative of AIDO clearly indicated that AIDO will not be in a position to follow UNDP's rules for collecting nominations of participants of the group training activities envisaged in the project. Consequently, under the assumption that AIDO has now assumed its proper managerial role in the project vis-à-vis UNIDO and UNDP, the evaluation mission team was requested to recommend deviations from established UNDP procedures to make AIDO's nomination procedures acceptable.

In general, the discussion revealed that UNDP HQ seem to be under the impression of incomplete information on the achievements of the project, possibly based on the evidently low expenditure rate over the past 2 years, till mid 1982, during which AIDO faced serious organizational problems. It was noted that despite the numerous problems retarding AIDO's and FAO's function the majority of activities were carried out correctly (at a lower cost than estimated & no UNDP funds were wasted!).

AT the meeting on 24 November the leader of the evaluation team reviewed in detail the outputs of the project item by item. He received the required information on the various consultation meetings, seminars and training workshops, and the study tour, which were implemented in the following ways:

1. organized and financed by AIDO,
2. organized jointly by AFCFP and UNIDO with AIDO's assistance, under UNDP/UNIDO's budgetary support,
3. organized and financed by UNIDO in agreement with AFCFP and/or AIDO,
4. organized by FAO and financed under the interagency subcontracting arrangement with UNIDO.

The most successfully implemented activities meetings were those referred to under item 2 and 3 above.

While in accordance with the concept of the project AIDO was assumed to organize some meetings on selected subjects, AIDO implemented two of these activities, but reporting on the proceedings and outcome was a weak point (Ref. item 1 above).

Reporting on the activities indicated under item 2 and 3 was found very good as far as the quality of work of AFCFP's presentation of the substance and printing/publishing of reports is concerned.

The problems faced by participants of the In-Plant Training Workshop on Phosphate Fertilizer Industries were discussed at length. Reasons for dissatisfaction, and causes of inadequate response to invitations as well as the unexpected absence of participants from Syria were critically assessed.

The meeting also indicated that the study tour to European fertilizer companies organized by UNIDO DIO/TRNG in cooperation with AFCFP, though in principle appreciated by the participants, cannot be considered as a success story of the project. The number of participants attending was only half of those invited and confirmed, and finally there was no evidence that their individual experience was properly transferred to other professionals in the fertilizer industry of the Arab region. The meeting admitted that study tours of this type cannot be expected to have a regional effect, though being directly beneficial to participants. Consequently, the consensus was not to repeat the study tour unless there would be a specific request to organize a longer term study arrangement at one company (or one plant) in one developed country only, for a group of engineers, who know the technologies applied and would like to have more time to study in great detail operating conditions and management techniques.

AFCFP appreciate the direct cooperation with UNIDO. Vice-versa the UNIDO mission expressed UNIDO's appreciation for the excellently prepared reports on consultation meetings and seminars organized under the project, and for the publicity given by AFCFP in this connection in form of articles in the quarterly and monthly paper issued by AFCFP and distributed to its members in the Arab Region and all over the world.

It was regretted that AIDO did not publicize the results of project activities within the sphere under its mandate, i.e. to the Ministries of Industries and Ministries of Agriculture in member countries of the Arab League.

AFCFP reported on the usefulness of the equipment provided by the project (the large copying machine and sorter, and the mini-computer/Arabic-English word processor). However, AFCFP also indicated that further assistance is needed to fully utilize the potential of the computer as was intended to be organized through follow-up on the project DP/RAB/80/010.

This follow-up project did not materialize as there was a concept of UNDP HQ to incorporate at least part of the assistance programme on this specific subject into the regional project DP/RAB/78/021, at an opportune time, e.g. when considering a major revision of the project and its budget.

While knowing of the presently pressing financial crisis of UNDP, the meeting felt that there is little if any chance to have a new regional fertilizer project approved for implementation by AFCFP. Therefore, AFCFP requested, as a matter of urgency, to make consultancy funds available from the budget of the ongoing project for this purpose and to hire two experts. The experts should be expected to establish the computerized data collection and retrieval system, to organize the filing system of information received from various sources, including fertilizer statistics and the summary of the study on the development of fertilizer industries in Arab States through the year 2000.

The study itself, though having been prepared by AFCFP and typed out as a first draft, has not been discussed by the evaluation mission. The UNIDO mission underlined its importance as a truly regional undertaking. It should be indicated here that subcontracting of the study by AIDO to AFCFP (US\$ 100 000), and AFCFP's supplementary funding (US\$ 50 000) received from a member company, is the most important fertilizer-related activity of AIDO outside the initiatives implied by the list of activities of the project. Independent of possible different views, the initiative of AIDO and AFCFP in preparing the study deserves sincere acknowledgement although UNDP contributions were not used.

The study contains first-hand information on past and future development of the fertilizer industry in the region, as well as agriculture related supply/demand and projections, collected directly from members of AFCFP. The complete report will comprise more than 1000 pages (in Arabic only).

The UNIDO mission suggested that UNDP should consider some financial support to make the study available also to interested parties outside the region because of global implications and direct impact of fertilizer development of the Arab Region on the development of fertilizer industries and trade in other regions. In practical terms this would mean to translate essential parts of the study into English and to publish it as a joint report financed by the project.

In general the meeting with the project evaluation team of UNDP was not conclusive as regards all issues relating to ongoing activities and those possible to undertake jointly by AIDO, AFCFP and UNIDO as in the past. The meeting did not insist on having the views of the team immediately presented in form of recommendations. (These might also have been considered as premature, outside the terms of reference, and as a subject to be reserved for UNDP's decision taking into account the consultant's report on completion of their mission).

The meeting took note of the two seminars which are presently being organized by FAO. Details were not discussed at AFCFP as the consultants had already collected sufficient information at FAO, Rome. The meeting felt, however, that FAO might be in a position yet to organize another meeting in 1983, in accordance with the list of activities of the project, or as follow-up on recommendations of AOAD and other agricultural fertilizer programmes of FAO, pursued on country basis but being of regional applicability and interest to Arab countries.

As regards the expert component of the project which was not adequately utilized till now, no new viable and mutually acceptable concepts emerged at the discussions. The UNIDO mission indicated that the intention of the project was to organize exchange of professional staff among Arab fertilizer companies. Specialists and experts/consultant were assumed to be hired through the project on the basis of ad-hoc requests of companies, whereby AFCFP was expected to promote the concept at member companies. Funds were put into the UNDP/UNIDO budget as AIDO did not have the mechanism for recruitment and payments as well as release of foreign currency for this purpose from its budget. On the other hand, UNIDO could only use the funds in a regular way according to standard UNDP rules which entail lengthy recruitment procedures. Finally only 3 short term consultants were

assigned (computer expert for AFCFP, mining machine maintenance expert for Jordan, and maintenance management expert for the N-fertilizer expert at Homs/Syria). The latter two jobs were identified by a AIDO/AFCFP mission in 1981 and no more requests were received for lack of initiative of AIDO and AFCFP, while the companies assumed to benefit did later show no interest in utilizing this existing channel. The candidate for Syria was cleared by the Government only recently (it took half a year to obtain the confirmation of acceptance). In summary, the concept of expert services did not work in practice, neither at AIDO nor at UNIDO.

The representative of AIDO stated that AIDO cannot recruit the experts and organize exchange of experience. No new topics were requested for execution financed from the UNDP/UNIDO budget, and hence no suggestions came up which would require a new approach to assure purposeful spending available funds. This may be also explained by the fact that it was not the task of the project identification mission to solve operational problems of the project, but to identify the problems and report on them to UNDP. The issue was therefore left open, which means that funds allocated to the UNDP/UNIDO budget for this purpose will remain blocked for the time being until through a formal revision of the project funds would be allocated to another budget line.

At the end of the discussions held at AFCFP, the evaluation mission team appeared satisfied with the information received. As there were no new concepts induced by independent views of the evaluation mission, AFCFP urged AIDO and UNIDO to take into account its need, as a substitute for or in advance of a separate project following up on the earlier mentioned project DP/RAB//80/010.

AFCFP proposed the following issues for implementation by the project in the nearest future:

- a) strengthening of the information system of AFCFP through expert services, training and supplementary equipment (for the computer);
- b) promotion of establishment of a R and D Centre for the nitrogen fertilizer industry;
- c) same as above for the phosphate industry;
- d) identification of the feasibility and definition of modalities of execution of a joint venture project (plant) producing NPK fertilizer.

According to AFCFP through this study ways and means should be found or problem areas would be identified on which the establishment of the first inter-Arab joint venture fertilizer company is hinging.

The evaluation mission took note of the proposals but did not express its views on acceptability or recommendability of the proposals for immediate action by UNIDO or AIDO.

3.0. DEBRIEFING OF THE EVALUATION MISSION AT THE REGIONAL ARAB BUREAU OF UNDP

The debriefing sessions of the mission took place on 13 to 15 December 1982 at the Bureau for Arab States of UNDP HQ, New York. Mrs. Lina Hamadeh organized the meetings with the members of the team of UNDP consultants, who had just returned from Morocco.

It was regretted by UNDP that the reports of the two consultants were not ready in draft at the beginning of the meetings. Nevertheless, the first rough draft of Mr. Farag's report was presented on the second day and Mr. El-Adawy's draft on the third day. There was no consolidated joint report as expected by UNDP. For this reason two separate lines of comments and recommendations will have to be considered by UNDP in order to arrive at conclusions and to take decisions on the continuation of the project. As the two reports in final form were not available, at the time when this mission report was prepared, the following comments refer to the original first draft papers.

3.1. Comment on the Outline of the Report of the Project Evaluation Mission

The first draft prepared by Mr. Farag does not contain essential elements which would have permitted to assess the truly regional effect of the project. His findings were expressed in very general terms and did not indicate the positive features of the so-called "group training activities" (consultation meetings, seminars) which were fairly well implemented, and from UNIDO's point of view, were fully in line with the objectives of the project.

The recommendations presented by the UNDP consultant are as follows (Quote):

"The programme should be revised or stopped after the following activities:

1. The Regional Consultation Meeting on the Development of Agricultural Credit Facilities and Fertilizer Pricing Policies, organized by FAO, to be held in Amman from 13 - 17 February 1983.
2. The Regional Symposium on Packaging, Storage and Distribution Systems of the Fertilizer Industry, organized by FAO, to be held at Casablanca, from 7 - 11 March 1983.
3. Provision for the necessary assistance to make the Documentation and Information Unit of AFCFP operational. This will strengthen the position of AFCFP and will help it to exercise a more important role in the fertilizer industries (of the region).
4. Finally, a Regional Consultation Meeting for Top Level Technical Managers of Fertilizer Plants (should be held to consider application of improved management techniques)." (Unquote)

The consultant also recommended that UNDF should send a consultant to attend the activities Nos. 1 and 2 indicated above, who should report in parallel with AIDO's representative on the quality of the substance, the attendance, and the response of participants of the two meetings.

In principle the recommendations of Mr. Farag are acceptable to UNIDO. However, they limit the potential initiative of AIDO in its role as Government implementing agency of the project. The recommendations do not comprise aspects of:

- present and future organization of the project by AIDO,
- new concepts for utilizing the expert component or advice on improving the modalities of implementation of this component, in order to strengthen AIDO's role and to expedite expert assignments (exchange of experience among fertilizer companies in the region, as originally conceived),
- advice on proper utilization of the equipment component,
- AIDO's cooperation with Governments,
- AFCFP's role vis-à-vis AIDO as cooperating organization and AFCFP's share as beneficiary, as well as the share AFCFP's member companies as "Target Groups" of the project.

The UNIDO mission proposes therefore at the end of this report a set of corrective measures with the aim of improving the outputs of the project which are yet attainable before its formal termination date.

Further comments on the report will be presented by UNIDO as soon as the final draft is available. In its present form it does not make reference to all the issues investigated by the mission and does not report in detail on the discussions of the mission team with Government officials and companies staff in the countries visited (Kuwait, Saudi Arabia, Qatar, Tunisia, Algeria and Morocco).

3.2. Comment on the "Evaluation Report of the Project on Training Methodology Implementation"

The comprehensive report of Mr. El Adawy confines itself specifically to the review of training activities. According to his views, the definition and objectives of the training activities outlined in the project document should have been different, i.e. to have taken into account professional training methodology.

It should be indicated here, however, that this was not the intention of the original concept of the project as out of 13 activities only two were assumed to be "training workshops" of standard nature as usually organized by UNIDO in cooperation with Governments and companies in developing countries. UNIDO technical training courses are being organized usually "as good as they can" by the host organization's training managers, and not as professional university grade teaching programmes, what seems to have been the understanding of the UNDP consultant. The report of Mr. El Adawy is very critical about UNIDO's role and its managerial performance as a leading intergovernmental body. The recommendations presented by the UNDP consultant (available to UNIDO in handwritten draft form are as follows: Quote: (his wording has not been edited)

1. The project document may be revised to translate the objectives of the project concerning up-grading skills to reflect the managerial process as functions in the fertilizer industry.

2. It is recommended that programs be administered by skilled trainers who have experience in the fertilizer industry, who could translate the programmes in the project document into workable programme with
 - a) clear objective
 - b) appropriate design
 - c) appropriate recruitment and selection of participants
 - d) measuring participants training needs
 - e) implementing the programme
 - f) follow-up of participants to improve programme and get feedback on the training process.
3. AIDO by its existing structure cannot implement the programme and it is recommended in a revised project document that AIDO input includes
 - a) counterpart for UN project manager
 - b) specialist in fertilizer industry
 - c) specialist in management, training and development who has experience in the fertilizer industry
 - d) full time support staff of secretaries, administrative assistant. Also they should provide the project manager and the staff with secretaries and appropriate offices.
4. The UN should have a strong presence in the project. It is, therefore, recommended that the UN appoints
 - a) project manager to be the counterpart of AIDO deputy director
 - b) specialist in fertilizer industry
 - c) specialist in management, training and development who has experience in the fertilizer industry (not necessarily a chemical engineer).

These UN personnel main function is to train during the project duration their counterpart, so that they can take over the process and will be able to do it by themselves when the UN project ends.

5. It is recommended that either AFCFP moves to Baghdad or AIDO (Fertilizer Section only) moves to Kuwait to facilitate communication and to pool their common resources for the benefit of the project.

6. It is recommended that the appreciation programme be scrapped and replaced by vigorous training programme to raise and up-grade existing skills, as mentioned in page 7 of this report,* and to prepare existing personnel for top level positions. In this concern, the expert on training methodology recommends
- a) programme in production management in fertilizer industry - for production professional for 2 weeks
 - b) programme in marketing management in the fertilizer industry which will include pricing, distribution, promotion and packaging in relation to each other, since marketing is an integrated field for 2 weeks (also the users may benefit from such programme)
 - c) programme in financial management in the fertilizer industry which mainly discusses investment, credit, expansion plans, flow of funds and costing system for 2 weeks
 - d) programme in human resources in the fertilizer industry which mainly addresses to the development of skilled workers, employees and middle management in the industry for 2 weeks (the agricultural part could participate in)
 - e) programme in top management in the fertilizer industry which mainly addresses to the overall management process of planning, organizing and controlling operations with the environment of the system for one week. The agriculture top officers can participate here also.

These proposed five programmes should be designed and implemented by a highly experienced trainer who has participated as a trainer for specialists (middle and top level managers). He should have experience in the fertilizer industry. The writer will be glad to help in such design if requesting drawing on his experience in the petroleum industry, the UNCTCD and his experience as top managerial trainer.

* Note p.7 of the draft of Mr. El-Adawy's report.

7. As to poor attendance, lack of enthusiasm to participate and all the other related problems, the above mentioned recommendations of relocating either AFCFP or AIDC (Fertilizer Section) and the appointment of counterpart staff as well as UN staff is likely to solve all other problems.
8. It should be noted that the recommended set up is rather expensive. It may be, but only in the short run. In the long run the return from such a set up is likely to be much higher than the immediate costs. By the time the project ends, AIDO and AFCFP will be able to be on their own serving the fertilizer industry effectively and efficiently. (Unquote).

If the decision of UNDP would favour reshaping of the project in line with the above-quoted recommendations, it would be necessary to prepare a new project document, and extend the project for at least 2 more years to prove the effectiveness of the new outline.

UNIDO would in principle agree with the consultant's statement that the outline and organization of training activities should be up-graded by taking into account the rules of professional training methodology, but it may be difficult to attain this desirable level within the limits of the existing budget. Some of the recommended topics could be taken up immediately, e.g. by assigning professional trainers or resorting to the facilities provided by the Training Centre of ILO at Turin which is highly qualified especially in training of management techniques. The services of ILO, however, are extremely expensive and may not be supported by UNDP.

In general, the decision of UNDP shall be awaited as to what extent and which recommendations of the consultant shall be taken as programme activities of the project and then actively be pursued by AIDO and UNIDO.

4.0. CONCLUSIONS AND RECOMMENDATIONS

4.1. Conclusions

1. The project evaluation mission did not reveal new elements which could be taken as a new basis for UNDP's and UNIDO's efforts in solving the persistent problem of AIDO's selfreliance in management of the project.

However, it made a number of practical recommendations which could be taken up by UNIDO, AIDO and AFCFP and implemented or imparted in the modalities of organizing project execution, subject to approval by UNDP.

2. AIDO's contacts with member governments were not strong enough to promote awareness of the project and active engagement of Government bodies in the development of a regional strategy within which the project could have played the desired more important role.

3. Contrary to the expectations underlying the concept of the project AIDO did not pursue a regional fertilizer development programme since its departure from Cairo. Nevertheless, AIDO contributed in some cases extensively towards the objectives of the project by organizing two meetings and subcontracting the regional study "Fertilizer Development of Arab Countries till the year 2000" by using its own budgetary resources (Government contribution).

4. AIDO is not in a position to strictly adhere to UNDP's rules, in particular as regards arrangements with its member Governments to convene meetings, nominating candidates etc. (i.e. for project activities listed under group training). The project evaluation mission of UNDP did not find a solution to this important problem, which made implementation of this component very cumbersome and slow.

5. Implementation of the project activities by UNIDO through pursuance of all the administrative, technical and financial management functions, including correspondence with Governments would have been against the concept of the project, as AIDO was assumed to play the leading role.

6. Though not having been spelled out specifically in the consultants' reports of the evaluation mission the project succeeded in mobilizing cooperation between companies and in strengthening AFCFP's position. UNIDO enjoyed excellent cooperation with AFCFP. In particular publishing of reports and proceedings of seminars and consultation meetings was an extremely helpful tool in promoting awareness of common problems faced by fertilizer industries in the region.

7. AFCFP's involvement and its straight line contacts with the industry could not be considered as replacement for a development policy of AIDO, which necessarily should have been pursued by AIDO jointly with Government bodies down to the same fertilizer industries and consumers who benefit from AFCFP's work. AFCFP does not have the mandate to deal with Governments.

8. The evaluation mission of UNDP took note of all the activities implemented since 1980 to the benefit of the fertilizer industry in the region. This positive aspect of the project has only inadequately been dealt with in the two draft mission reports, though having been appreciated by direct participants as reported in the publications of AFCFP. It came out clearly that despite the changing location of IDCAS/AIDO and long periods of interruption of its operability, the project did not end up in a deadlock.

9. The underutilized expert component remains a major problem area of the project. Both AIDO's and AFCFP's initiatives did not lead to the expected exchange of experience among fertilizer companies in Arab countries. Strict financial rules of UNDP/UNIDO did not permit, on the other hand, to propose an operationally more efficient system for reimbursement of assignments and travel of Arab experts (specialists) from one company to another in the region.

10. Implementation of the agriculture-related part of the project, subcontracted to FAO, has gained momentum in 1982. Though cooperation with AOAD continues to be a weak link in the arrangements being made by FAO for convening regional meetings, major problems have been overcome. The door is now open for expeditious preparation of further programmes to be undertaken by FAO on direct lines with Governments, inclusive of some functional involvement of AIDO and AOAD in the technicalities of organizational work, and official representation.

4.2. Recommendations

1. As it would be overambitious to assume that an all-out regional impact of the project could be achieved (which would arouse an active interest of numerous Government bodies and companies), the project should be continued with some modification of the organizational set-up of AIDO and its regional fertilizer programme.

2. Support should be provided to AFCFP in order to make its Computerized Information Service Unit fully operational. This can be achieved by assigning two experts (6 and 2 m/m) to assist in the establishment of a data collection, storage and retrieval system and to

conduct on-the-job training of AFCFP's personnel. Some computer software, and supplementary hardware should be purchased to enhance the capacity of the existing system.

3. The comprehensive, very valuable study on the fertilizer industry, which presently is being completed by AFCFP in cooperation with member companies and focal point counterparts in Arab countries, should be prepared for dissemination to all those outside the region who are interested in knowing past trends and future prospects of the fertilizer production and consumption in the region.

UNIDO should be authorized to subcontract translation and publishing of a summary of essential parts of the study, from Arabic into English. This would be a new activity, not included originally in the project document.

4. No more study tours should be organized by the project (this recommendation was implied by the discussions held at AFCFP, but does not specifically appear in the reports).

5. FAO should be asked to organize in 1983 two more activities of regional interest to the agricultural sector, as spelled out in the project document or implied by the objectives of the project. The favourable development of cooperation presently established in connection with two meetings to be held soon in Morocco and Jordan will thus be properly utilized and continued.

6. Project management of AIDO should be restructured so that it would perform in a standard way according to UNDP's rules and procedures. The Chief Technical Adviser's Manual should be given to AIDO with the request to observe relevant instructions, and in particular to prepare regular reports on implementation of project activities.

7. The remaining equipment component should be used by AIDO for strengthening its own information service and communication system. AIDO should prepare the specification needed for purchase of equipment, in particular, for setting-up the peripheral unit which is assumed to communicate with the data bank of AFCFP.

8. The recommendations of the two consultants of UNDP, relating to high level management training, should be combined, and followed-up by organizing a professional training course for top managers of fertilizer plants. The training course should either be held at the ILO Training Centre in Turin/Italy, - or alternatively, the course should be subcontracted to a professional management training institution and held in one of the Arab countries. Preparations should be made jointly by AIDO and AFCFP, under funding from the project budget. For this purpose full rate reimbursement of travel/living costs should be permitted as fees paid for fellowship assignments would not be acceptable to top managers from some countries.

9. AIDO should immediately initiate work towards implementation of project activities No.2.4 and 2.11 (Regional Consultation Meeting on Advanced Management Techniques) and (Regional Seminar on Maintenance of Fertilizer Plants).

10. The concept of exchanging specialists among companies in the region at the expense of the project should be abandoned. The expert component of the project should be reduced accordingly to a manageable size, comprising only those assignments which are indispensable for organizing the activities outlined above.

11. The project budget should be revised accordingly in due course. The total amount allocated by UNDP should be maintained. A certain amount should be shifted to 1984 to make the budgetary estimate for 1983 realistic.

12. A project coordination meeting should be held as every year, attended by all those involved. As a tentative date April 1983 could be retained, subject to completion of UNDP's review of the project and receiving UNDP's decision on the above-mentioned proposals on implementation of a revised programme. Following the recommendation of AIDO at the previous meeting, the next meeting should be convened in Vienna.

ANNEX 1.

S.R. Panfil/ak
15 November 1982

SALIENT POINTS RELATING TO UNIDO'S VIEWS ON THE COURSE OF
IMPLEMENTATION OF DP/RAB/78/021

1. UNIDO's views on rearranging the pro-doc were expressed in our letter to Mr. Zaanouni dated 31 August 1982 (see file No.II).
2. We concur with the TOR of the mission (it reflects precisely the background and activities carried out. It is an excellent write-up. Also, the TOR of the evaluation exercise are well taken).
3. The papers - all files - should be made available to the consultant (and copied whatever necessary).
4. Some important papers are attached herewith for consideration:
 - Minutes of review meetings :Baghdad and Kuwait
 - Report on Study Tour (we suggest to organize another tour - to be put in the new programme)
 - Mr. Shoukry's notes of 28/12/81
 - AIDO's report on the Phosphate Workshop
 - AFCFP's letter relating to computer services (to be considered for inclusion in the new programme of activities).
5. Cooperation with AIDO is relatively good now, but we never received properly filled-in and endorsed non-forms for participants of our activities. (This is a major problem of formal nature because of UNIDO's responsibilities involved.)
6. We started redrafting of the prodoc to include as previously suggested the follow-up on project DP/RAB/80/010. The report draft prodoc of the follow-up project and the file should be shown to the consultant. We could not continue drafting of the revised pro-doc DP/RAB/78/021 because for this purpose a firm decision on rearranged activities (and possibly some new objectives) should first be made. We anticipate that this decision will be taken soon on the basis of the conclusions and recommendations of the evaluation mission.
7. Cooperation with AFCFP is excellent, but we would prefer to have a UNIDO project manager or expert at AFCFP to pursue the activities (better than Mr. Shoukry did).
8. We regret that at present nobody is available to participate in the mission. Mr. Panfil may join at the end in New York if necessary for taking decisions on redrafting of the prodoc and rearrangement of the budget. (In particular the expert component is a problem area, and the incorporation of assistance to AFCFP regarding development of publication services). Please inform the consultant on Mr. Guha's report, and on the other expert (Syria).

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9. The subcontracted part relating to agricultural activities is fully and selfreliantly in hands of FAO (no discussion on substantive matters is necessary, but the file should be shown). Weasassume that the evaluation mission will scrutinize FAO's work and problems in Rome.

10. The Equipment componant of both UNIDO's and FAO's portion should be revised as UNDP recently disagreed with our and FAO's intention to purchase conference training equipment (see cable on the file - from NY regarding FAO's request).

11. The consultant's report should mention AIDO's activities financed from the so called Government contribution (studies, meetings etc.) The AIDO programme should also be up-dated and put into the revised prodoc.

Many thanks.

Technical Consultation on a Programme for Fertilizer
Development Promotion, Utilization and Distribution
(RAB/78/021)

Terms of Reference for Project Evaluation Exercise

- ✓ 1. In March 1976, UNDP approved a preparatory assistance to the Arab countries for the Regional Fertilizer Development Programme as a follow-up to a UNIDO/IDCAS project entitled: Assistance to the Development of the Fertilizer and Pesticides Industries in the Arab States, which was implemented in 1975-1976. The Preparatory Assistance was intended to examine the report of the regional survey and, visit and consult IDCAS as well as the management of existing fertilizer producing plants and the existing research and development institutions in selected Arab countries, namely: Egypt, Algeria, Iraq, Kuwait, Libya, Morocco, Qatar, Saudi Arabia, Syria and Tunisia.
- ✓ 2. Subsequently, a joint UNDP/AFCFP/IDCAS/UNIDO exploratory mission (REM/75/018) was fielded with the purpose of examining and defining existing and potential constraints on fertilizer production in the Arab countries as well as identifying a programme for implementation of a large-scale fertilizer development programme to be financed by UNDP. Following consultations between AFCFP, IDCAS and UNDP during 1978, a consultation meeting was organized with the purpose to formulate and agree to a regional programme. Held in Amman, Jordan on 16-18 December 1978, the meeting was attended by representatives of eleven countries, four Arab regional organizations and four UN organizations. The outcome of this meeting was a framework of an Arab regional co-operation programme for the development and promotion of fertilizer production and utilization which was to be incorporated in the present project.
- ✓ 3. The original budget as approved was US\$1,257,000 with a costsharing of US\$800,000. The latest budget revision is US\$1,292,679. UNIDO serves as the Executing Agency of the project with FAO being an associate agency. An agreement was signed between UNIDO and FAO to delineate their separate responsibilities. UNIDO (formerly IDCAS) is the regional implementing agency with AFCFP as the governmental co-operating agency. AOAD is also closely associated with the project's agricultural activities.
4. The immediate objectives of the project are as follows:
 - (i) to assist IDCAS and AFCFP in implementing their programmes relating to the promotion and development of production and utilization of fertilizers in the Arab world;
 - (ii) to design and implement extensive training programmes in the form of symposia, seminars, workshops and in-plant training courses as well as group study tours, tours with the aim:
 - (a) to up-grade professional skills;
 - (b) to improve utilization of existing and new capacities coming on stream during the project period;

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(c) to promote and expand utilization of fertilizers

(iii) to provide short-term services of Arab and International experts and consultants for technical assistance needed by the fertilizer industries of Arab countries;

(iv) to organize consultation meetings in order to promote inter-Arab cooperation in market development and co-ordination of planning for new investments;

(v) to assist in the establishment of a specialized fertilizer documentation unit at AFCFP as a sectoral focal point to be part of the IDCAS Industrial Documentation and Information Network.

✓ 5. The regional project became operational in the first quarter of 1980. Since then the site of IDCAS was changed from its temporary site, being Tunis, to Baghdad and subsequently it was renamed the Arab Industrial Development Organization (AIDO). During the period of implementation the following training events were held:

✓ (a) Regional Training Workshop on Training Methods for Nitrogen Fertilizer Industry (refresher course for training instructions), 1st quarter 1980 in Kuwait;

✓ (b) Regional Consultation Meeting on fertilizer market development for marketing specialists, July 1980, Damascus, Syria;

✓ (c) Regional Symposium on the promotion of fertilizer utilization organized by AOAD in co-operation with FAO, AIDO and AFCFP, January 1981, Khartoum, Sudan;

✓ (d) Second Regional Consultation Meeting on Fertilizer Marketing, October 1981, Kuwait;

✓ (e) Regional Seminar on Pollution Problems on Fertilizer Plants, November 1981, Bahrain;

✓ (f) Regional In-plant Training (Nitrogen), March 1982, Kuwait;

✓ (g) Group Training Study Tour (Nitrogen), April 1982, Europe

✓ (h) Regional In-Plant Training in Phosphate Fertilizer Industry, June 1982, Gabes, Tunisia

✗ (i) Regional Consultation Meeting on the development of agricultural credit facilities and fertilizer pricing policy, September 1982 (forthcoming).

6. As regards the provision for short-term consultancies for technical assistance needed in the region, two short-term consultants' services were used. With regard to the project manager's post, which under the original provisions of the project was to be financed by AIDO through its contributions in cash, was later agreed to be financed through the project budget. A project manager was then recruited in December 1981; he later resigned from his post in April 1982. Insofar as the establishment of a specialized fertilizer documentation unit at AFCFP as a sectoral focal point to be part of the AIDO industrial

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documentation and information network, a consultant in industrial information was recruited to assist in the establishment of information and documentation centre and in computerized information system and to identify equipment and producers for equipment needed. The equipment has been purchased lately and a training workshop for focal point AFCFP staff was undertaken.

7. The evaluation of the project will:

(a) review all steps in the formulation and implementation of the project in order to determine how adequately the immediate objectives of the project have been attained, and how effective the project has been in helping AIDO, AFCFP and the fertilizer industry in meeting their needs and their development efforts and, to determine, if in the light of experience, any changes may need to be made in the project design;

(b) identify the factors which may have facilitated or deterred the achievements of the project's immediate objectives and make recommendations for future action.

8. In carrying out the evaluation, particular attention is to be given to:

(a) the effectiveness of training activities offered by the project

(b) the extent, scope and relevance of the project in relation to its users especially as pertains the upgrading the professional skills and the promotion of utilization of fertilizers

(c) an examination of training methodologies employed during the implementation of the project, also examining the manner and extent to which there has been follow-up on training activities

(d) the recommendations of the annual tripartite meetings

(e) a review of the scope of implementation of the recommendations of the consultancy services used and, in particular, in the field of information and documentation

(f) reports related to the joint UNDP/UNIDO/AIDO (IDCAS) previous projects such as the report of the regional survey.

The evaluation team shall consist of:

(a) a consultant to the Administrator

(b) an expert in training methodology

(c) a representative of UNIDO

9. After briefing, the evaluation team will visit the following countries: Algeria, Iraq, Kuwait, Morocco, Qatar, Saudi Arabia, Syria and Tunisia. The Headquarters of UNIDO and FAO will also be visited. The duration of the mission should not exceed six weeks.

10. Although the evaluation team should feel free to discuss with the authorities concerned anything relevant to its assignment, it is not authorized to make any commitments on behalf of UNDP.

