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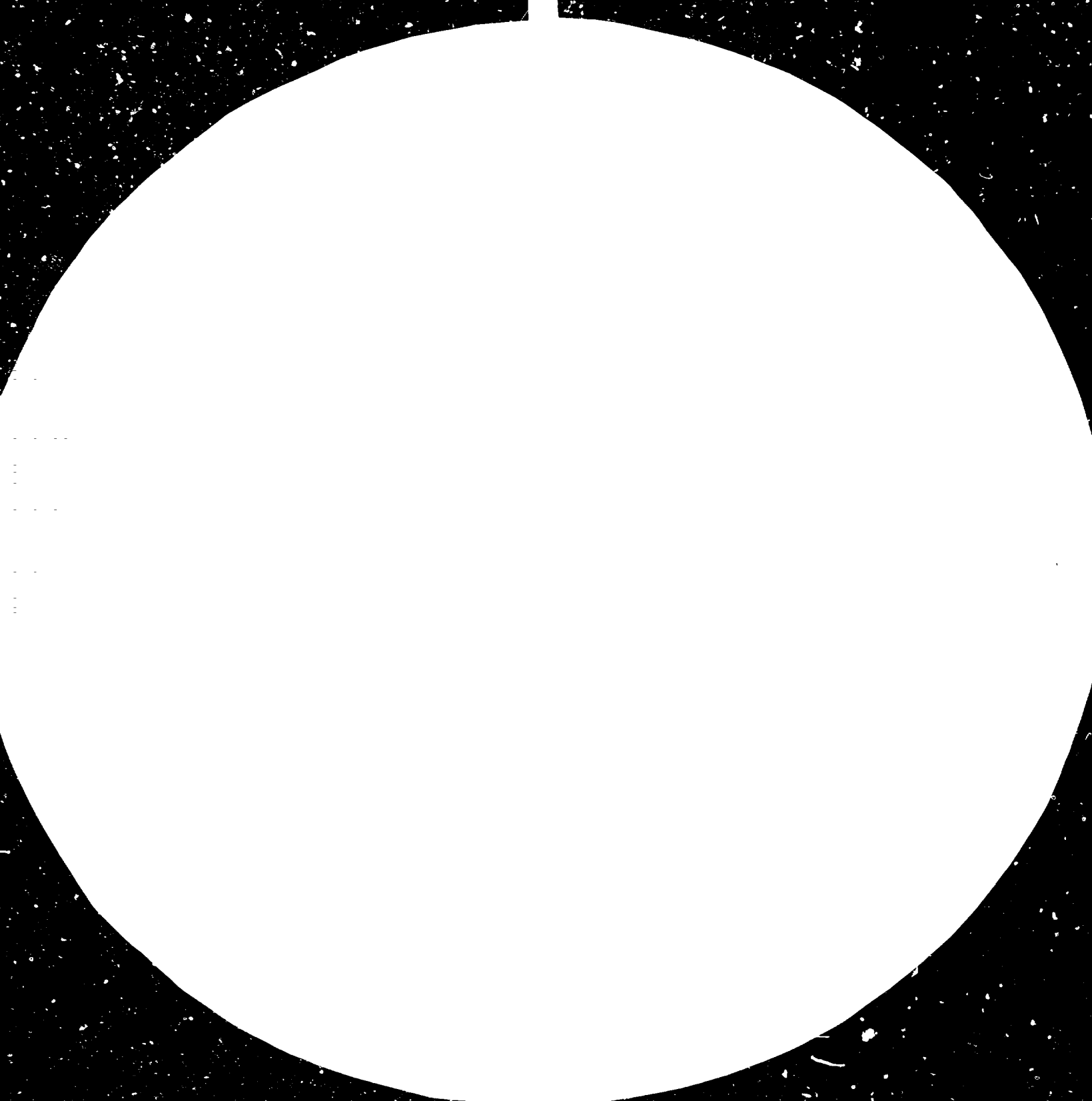
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UNIDO PROGRAMMING MISSION FOR THE
SADCC INDUSTRIAL DEVELOPMENT
COORDINATION

30 May - 11 June 1983 .

Report *

Prepared by the
Programme Development and Evaluation Branch
Division of Policy Co-ordination

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CONFERENCE

I. INTRODUCTION AND BACKGROUND OF THE MISSION

The Southern African Development Co-ordination Conference (SADCC) comprises the following member States:

People's Republic of Angola
Republic of Botswana
Kingdom of Lesotho
Republic of Malawi
Republic of Mozambique
Kingdom of Swaziland
United Republic of Tanzania
Republic of Zambia
Republic of Zimbabwe

In 1980 the Lusaka Declaration, "Southern Africa: Toward Economic Liberation", called for a Programme of Action for regional cooperation with the main objectives of reducing dependence on South Africa and accelerating economic development. In July 1981, the Heads of State and Government signed a Memorandum of Understanding on the institution of the Southern African Development Co-ordination Conference, establishing the following institutions and defining their responsibilities in the decision making process: (Please refer to Annex IV)

- a) Summit Meetings
- b) Council of Ministers
- c) Sectoral Commissions
- d) Standing committee of officials
- e) Secretariat

The above institutions have been designed to provide an effective and flexible mechanism for regional consultations and decision making, and supplemented by a network of coordinating units for the different sectors of the economy as follows:

1. Industrial development: delegated to Tanzania
2. Energy development and conservation: delegated to Angola

3. Food security: delegated to Zimbabwe
4. Soil conservation and Land Utilisation:
delegated to Zimbabwe
5. Crop Research: delegated to Botswana
6. Animal Diseases: delegated to Botswana
7. Manpower Development: delegated to Swaziland
8. Southern African Development Fund:
delegated to Zambia
9. Transport and Communications: delegated to Mozambique
10. Security Printing: delegated to Zimbabwe

Following the Maputo Conference held in November 1980, a SADCC Industrial Coordination Unit in the Ministry of Industries was established in Dar-Es-Salaam to handle the coordination work for the industry sector and speed up the process of data collection. On the basis of a sectoral document prepared by Tanzania and presented at the Salisbury Council of Ministers, first steps toward the elaboration of a programme have been taken in cooperation with Commonwealth Secretariat and SIDA. Certain concrete proposals for short term action have been agreed, including the establishment of the industrial contact points in each Member State. A long term programme for identification and action coordinated on joint industrial development was discussed in August 1982, on the basis of information on industrial strategy and plans provided by Member States.

Tanzania, in consultation with the SADCC Member States, prepared a Regional Plan of Industrial co-operation which was discussed and finalised at the meeting of the SADCC Industry Sub-Committee at Dar-Es-Salaam in September 1981. The main thrust of the plan was to develop industries to meet the basic needs of the population in the areas of:

- Food
- Clothing
- Housing
- Health
- Water Supply
- Power
- Transport
- Education

The development of basic industries such as fertilizers, pharmaceuticals, pesticides, iron and steel, capital goods and engineering industries formed part of the sub-regional plan.

It would be interesting at this stage to compare the main thrust of SADCC priority sectors to the Lagos Plan of Action where the major priority industrial sub-sectors for the industrial development decade for Africa which have been defined as follows:

- Food processing industry
- Textile industry
- Forest industries
- Building materials and construction industry
- Metallurgical industry
- Chemical industry
- Engineering industry
- Small-scale industry
- Energy

Based on the above SADCC priorities, the main objective of SADCC industrial coordinating government at Maseru in January 1983 was to propose the SADCC industrial projects which meet the basic requirements of the people. As a result, 55 projects were identified for implementations and 33 projects were selected for studies during the Industry Ministers Meeting held at Arusha on 8th and 9th September 1982.

As regard the assistance from UNDP for Industrial Development activities within SADCC countries the original allocations of UNDP for the assistance to this sub-regional grouping was of \$5 million. Due to the UNDP financial crisis, this amount which includes all sectors of SADCC activities including the industry sector was reduced to 3 million dollars at beginning of 1983. UNIDO submitted the following project proposals for consideration of financing under the IPF source of funding:

- Establishment of an industrial advisory unit for pre-investment studies and follow-up on implementation;
- Establishment of a network for the Development of Cement industry in the SADCC sub-region;
- Development of Energy Management capabilities for implementation of the SADCC energy conservation and security programme;
- Establishment of SADCC sub-regional network for agricultural machinery;
- African regional salt and marine chemicals Institute;
- Strengthening the training capacity in the field of quality control in food articles production in SADCC countries.

In addition, UNIDO undertook a study on industrial cooperation and complementarity in manufacturing, financed from its own resources.

In connection with the above project proposals, the SADCC industrial coordinating authority expressed the wish to have UNIDO become involved in greater depth in its formulation in view of the importance given by the SADCC countries to the industrial development. Accordingly, UNIDO was invited by the coordinating SADCC industrial development coordination unit to field a programming mission in March 1983 but was later postponed to end May 1983 due to the tight schedule of the UNIDO team members stationed in Vienna and Dar-Es-Salaam. The programming and formulation mission was requested to hold in-depth discussions with the SADCC authorities in Tanzania, Zambia, Zimbabwe and Botswana; and return to Tanzania for the finalization of the programme and to formulate the project proposals mentioned above and submitted previously for consideration to SADCC for UNDP source of financing. At the same time, the mission intended to identify in the different countries to be visited the potential regional projects to be promoted and implemented within the SADCC region. The intention of the programming mission was

also to assess at the regional level, the status of industrial infra-structural institutions, chemical industry, engineering industry, building materials and constructions and to assess the situation of the small-scale industry in the SADCC sub-region.

It was felt that there was a need for time to enable the authorities in these countries to study the proposals and express their views and comments on their objectives and general design, so that the mission could have more meaningful discussions with concerned officials, after a detailed programme of meetings and visits is prepared and agreed upon.

In agreement with the SADCC Industrial Development Coordination Unit, it was decided to postpone the visits of the mission to other SADCC countries to a later date, especially that the Executive Secretary of SADCC, Mr. F. A. Blumeris had indicated that he would be travelling on mission during 11 to 16 June, the period during which the UNIDO mission planned to visit SADCC Headquarters in Gaborone.

The mission took place from 30 May 1983 and was scheduled to end on 22 June 1983. Due to the cancellation of the missions to Zambia, Zimbabwe and Botswana, the duration of the mission has been reduced and scheduled consequently from 30 May to 11 June 1983.

The UNIDO Programming Mission consisted of two members:

- Mr. M. Touré - Programme Development and Evaluation Branch
from UNIDO Headquarters, Vienna
- Mr. S.K. Henein - Senior Industrial Development Field Adviser
in Tanzania and in-charge of the relations with
the SADCC Industrial Development Coordination
Unit at Dar-es-Salaam.

Mr. Touré arrived in Dar-es-Salaam on 30 May 1983 at 8:45 a.m. Immediately after his arrival, the meeting started at 10:30 a.m. at the Ministry of Industries with the SADCC Industrial Coordination Unit represented by Mr. J.W. Rusibamayila, Senior Industrial Officer In-charge of the SADCC Industrial Coordination Unit and Mr. C.T. Thomas.

At the beginning of the meeting, the mission was informed that the allocation of the US\$ 3 million has been reduced to 2.5 million.

..... (Please refer to Annex III SADCC Executive Secretary's cable.)

It then became evident that it would be very difficult for the programming mission to discuss projects to be submitted only for the UNDP source of funding. It was therefore agreed to define the priority sectors to be included in the SADCC industrial programme for financing from:

- United Nations Development Programme sources of funds for regional projects;
- Funds-in-trust contributions;
- Cost sharing;
- Special contributions to the SADCC Industrial Development.

The UNIDO programming mission agreed with the SADCC Industrial Coordination Unit that the Mission will review the entire industrial sector of the SADCC sub-region as far as time will allow to identify specific technical assistance projects. During this meeting, the mission was briefed on the work done by the SADCC Industrial Coordination Unit. At the same time a tight schedule of meetings was established.

At the outset, it was obvious that there was a need to strengthen the SADCC Industrial Coordination Unit which consists only of one Senior Officer and a consultant within the Ministry of Industries. There is no direct communication between the SADCC Industrial Coordination Unit and the SADCC Member Countries. As far as the mission could see, there is no industrial information library or documentation Centre for the SADCC Countries, no offices specifically assigned to the SADCC Industrial Coordination Unit. It may be important before any technical assistance to the Industrial Development of the SADCC countries is given, that the SADCC Industrial Coordination Unit be strengthened in its functional capabilities.

Mr. Rusibamayila, Chief of the SADCC Industrial Coordination Unit was of great help and was extremely efficient during all programming mission's

activities in Tanzania. He was present at all meetings held in Dar-es-Salaam. The mission met officials of many institutions such as TIRDO, STAMICO, TISCO, SARUJI, CAMARTEC, ESAMI, AND IDC. (Please refer to Annex II for the summary of our discussions.)

The mission did not get the opportunity to meet Mr. Ouattara, the Resident Representative, as he was on mission in Seychelles. The mission was further received by Mr. F. D. Mbagi, Principal Secretary of the Ministry of Industries. During this meeting with the Principal Secretary, he was briefed on the discussions with officials of the different institutions which took place during the first week. It was agreed then that the mission would meet the Principal Secretary at the end of its visit for discussion of the final conclusions.

II. FINDINGS AND RECOMMENDATIONS

A. FINDINGS

The declaration of the Southern Africa Toward Economic Liberation, the basic statement of aims, programme and operation adopted in 1980 by the SADCC countries, set out four goals:

- " - Reduction of external dependence, especially dependence on the Republic of South Africa
- Creation of operational and equitable regional integration
- Mobilisation of domestic and regional resources to carry out national, inter-state and regional policies to reduce dependence and build genuine regional coordination
- Joint action to secure international understanding of, and practical support for the SADCC strategy."

Considering the above four goals statement from the point of view of industrial development, it is a fact that the SADCC countries like

other regional groupings in Africa (ECOWAS, UDEAC etc.) are living through a difficult situation. For the SADCC countries, the geography size and the general poverty make regional co-ordination of development efforts very critical in this African sub-region. Among the nine countries, four are among the LDC countries (Botswana, Lesotho, Malawi Tanzania), and six SADCC members are landlocked countries (Botswana, Lesotho, Malawi, Swaziland, Zambia, Zimbabwe).

Together, the population of the SADCC sub-region is over 55 million, with a total GDP exceeding \$17,000 million dollars. The range of resources and the productive potential are considerable. In a broad range of activities from basic industry to agricultural research, energy development to mining input production, and food security to manpower development, the potential development of SADCC member countries acting together as a group would get a much greater impact for their common efforts for development.

The present objectives of the SADCC Member States are built on a base of viable and practical strategy of self-reliance and self-sustainments in encouraging further import substitutions, rationalizing the exploitation of their own resources, improving the institutional structures and procedures of their operating structures, encouraging the use of labour-intensive technologies, training of manpower, and the development of transport and communications, ensuring food security, and establishing a common strategy for the industrial development in the region.

While it was not possible for the programming mission to visit Zambia, Zimbabwe and Botswana, from the in-depth discussions held in Tanzania, the coordination country of the SADCC industrial development, some conclusions have been reached, more particularly for the development of the industrial sector, especially in the areas of manpower development, strengthening of the institutions at the regional level, and policy formulation.

We got the impression during the discussions that the objectives of the UNIDO programming mission were not always clearly understood, as far as the regional industrial development programme is concerned. It was necessary to avoid confusions between the national sectoral development of the industry and the regional development. During our discussions in Tanzania, it seemed adequate to propose the implementation of sectoral studies at the level of SADCC countries. There is a possibility to prepare a sectoral master plan for the most important industrial branches in the sub-region. Since most of the industries at national and regional levels have "to satisfy the minimum needs of the people; to define a better industrial policy for all the sub-region, a survey should be made of the existing industrial plants and institutions relating to such sectors. A project profile on SADCC Master Plan for Integrated Industrial Development should be established in cooperation with UNIDO if accepted by the SADCC Industrial Development Authority. The objectives of these sectoral plans should show the linkages between basic industries to existing and future industrial structures of member countries as well as their linkages to the important sectors such as agriculture, transportation and communication, energy, etc.

At the regional level, the development of the industrial sector in SADCC countries is unbalanced. It is rather difficult to compare Botswana, Swaziland or Lesotho to Zimbabwe or Zambia. Nevertheless, within the sub-region, there are strong subsectors which are established well enough for a possible strengthening and extension for the industrial requirements, in the sub-region. Such sub-sectors could be the metallurgical industries (iron and steel, ferro-chrome, copper etc.) for countries like Zimbabwe, Zambia, Mozambique. The engineering industries, which may concern Zimbabwe, Zambia etc. The cement industries for Zimbabwe, Tanzania, Angola, Mozambique, Zambia, etc. At the level of the sub-region, subject to confirmation, the most important sectors to be promoted at the level of sub-region are the food and chemical industries among others.

As many of the causes of crisis in SADCC Member State economies are external such as prices of Zambia's copper and Zimbabwe's iron and steel, Malawi's tea and Botswana's diamonds, of Tanzania's coffee, Mozambique and Swaziland's sugar and Angola's oil have fallen when the import prices have risen, the establishment and strengthening of the industrial infrastructural institutes and development of industrial sector which will meet the minimum basic needs would contribute to achieving the main goals of the Southern Africa Toward Economic Liberation. Specific possibilities are identified by the Mission and are described among the projects. (Ref. Ch. III).

Nevertheless as far as the sub-regional Development of Industry Sector is concerned, the mission would not consider this report to be final. To get a clearer picture of the Industrial Development Programming approach in the nine SADCC countries, the UNIDO programme development mission would need to visit all nine countries, and make in-depth investigations of the status and plans for the integrated industrial development of the sub-regions. The results will be then of more significant regionally and would complete the recommendations made in this report from our mission in Tanzania, the coordinating country for SADCC industrial development.

For an adequate approach of the establishment of technological institutions such as SADCC Salt and Marine Chemicals Institute, Establishment of a SADCC sub-regional network for Agricultural Machinery, Establishment of a network for the development of cement industry in the SADCC sub-region etc., it would be necessary to harmonize the efforts of the member countries for promoting and creating operational regional institutes by sub-sectors financed by all member countries such as Standards and Quality Control Institutes, Industrial Research and Development Organizations, and Industrial Studies and Consulting Organizations. Each of such institute could be strengthened and extended at the level of the sub-region. The main problems are not to concentrate them in one country but to make a balanced localization of the institutes in function of the nature and degree of specialization of each member country.

The utilization of the facilities and capabilities of higher institutions of learning (ESAMI, Universities, Technical Colleges) which are well developed in SADCC countries would be of great value for all sub-region. In conclusion, the main criteria for conceiving a rational national and regional industrial development for the SADCC region is to think more in function of the spirit of the Southern Africa Toward Economic Liberation than merely on the basis of the joint views of the national interests. From the objectives of the regional industrial development of SADCC to the outputs of the integrated industrial sector of SADCC countries, intensive efforts would be needed to make differences between national and multi-national concepts and strategies of the industrial development.

III. PROJECT PROPOSALS IDENTIFIED, DISCUSSED OR FORMULATED

In the following a detailed description of potential regional projects discussed with the SADCC Industrial Coordination Unit in Tanzania will be presented. These include the projects which have been already under consideration by the Unit and which have been reviewed, revised or formulated during the visit of the programming mission. In the case of SADCC countries, the programming mission would give special attention for action and implementation of the projects relating to the institution building. Such projects would be of an important self-reliant and self-sustained impact for the integration of the SADCC sub-region.

The mission has tried to present the project proposals in such a way that it would be possible for the SADCC Industrial Coordination Unit to decide on priorities for sources of financing and for the Industrial Development Operations of UNIDO to prepare the final drafts of project documents to be submitted to UNDP, SADCC countries, donors or other sources of funding, with UNIDO as executing or cooperating agency (if so decided by UNDP or the SADCC Industrial Development's Council of Ministers in reference to the recommendations made by the experts meeting to be held in 1983 at Dar-es-Salaam.)

1. Strengthening the Functional Capacities of the SADCC Industrial Coordination Unit

Although the SADCC Industrial Coordination Unit is operational at the level of the coordinating Government of Tanzania, to let this institution become an effective regional unit at the level of SADCC countries, it needs to be strengthened in its functional capabilities to increase effectiveness and constructive impact in coordinating the industrial activities of the SADCC sub-region.

The main inputs of the project are:

expertise: - organizational development
12 m/m; short-term consultants
18 m/m; training fellowships staff development skills,
minimum 3 months

study tours of two m/months duration total estimated

project cost : 150,000

project duration : 12 months

2. Assistance to SADCC in Formulation and Implementation of sub-regional Industrial Policy and Programme

The objective is to assist the governments of SADCC region to conceive and implement a joint industrial policy and programme in reference to the Southern Africa Toward Economic Liberation, statement of aims, programmes and operations adopted in 1980. The project aims at assisting SADCC Member States, through the SADCC strengthened Industrial Coordination Unit and Ministries of Industries in the 9 countries, in the following areas:

- harmonizing the relevant industrial laws and regulations of the SADCC member countries;
- advising the grouping on policies for control of foreign investments and other forms of international cooperation in the field of industry;
- the implementation of the sub-regional project identification

surveys aimed at indication of areas which lend themselves to harmonized efforts by SADCC Member Countries in their development;

- organizing training for the SADCC officials in regional projects identification, preparation and evaluation and investment follow-up through training seminars, fellowships, study tour and through participation of the work of the consultants;
- preparing and maintaining portfolios of investment proposals to facilitate investment follow-up action in SADCC priority sectors;
- exchange of experience of established integration groupings or sub-groupings with regard to elaboration of joint industrial policy implementation inter-regional or multinational regional projects;
- elaborating methodologies and criteria for the identification of project opportunities and for evaluating and selecting candidate multinational investment projects in accordance with SADCC strategy, policies and priorities.

For the achievement of the above objectives, UNIDO as executing agency will cooperate with organizations such as UNCTAD and ITC.

The expected outputs to be achieved through the project activities are as follows:

- a. Studies of the SADCC Member countries' relevant industrial laws and regulations, their compatibility with the legal regime established for the SADCC regional existing units.
- b. An advisory regional service to the SADCC Industrial Coordination Unit.

- c. Creation and operation of community enterprises.
- d. Organization of sub-regional surveys with a view to identifying candidate industrial projects which lend themselves to harmonized efforts by the SADCC Member Countries in following priority sub-sectors:
 - Wood processing industries
 - Iron and steel industries
 - Agro-related chemical industries
 - Food processing industries
 - Petro-chemical industries
 - Telecommunication and electronic industries
 - Pharmaceutical industries etc.
 - etc.
- e. Comparative study of existing regulations for control of foreign investments in the SADCC countries and policy options in relation to unification of foreign investment regulations.
- f. Setting-up of permanent training facility for nationals from SADCC Member States in upgrading their skills in industrial projects identification, evaluation, investment, promotions and contracts negotiations.

Total estimated project cost to be specified later.

Project duration: 2 years/+

3. Establishment of a SADCC Salt and Marine Chemicals Institute

Please refer to the formulated draft project document (Annex I).

The first draft project proposal was formerly circulated by SADCC Industrial Coordination Unit to the member countries in December 1982. The SADCC Industrial Coordination Unit Officials informed that it fits into the decisions of SADCC Ministers of

Industry on the establishment of regional capacities for providing the relevant regional salt institute. The matter was further discussed by the Ministers of Industry at Maseru in January, 1983. During the mission, in consultation with the Ministry of Industries and concerned institution and Ministry, the project has been formulated for presentation to UNDP or other source of funding.

Estimated cost: \$ 900,000

Duration: 4 years

4. Establishment of a sADCC Sub-Regional Network for Agricultural Machinery

This project is highly appreciated by the SADCC Industrial Coordination Unit officials and Centre for Agricultural Mechanization and Rural Technology. The project has been discussed by the mission. The SADCC Coordination Unit officials informed that the terms of reference for the study have been approved by the Ministerial Council, as indicated in Vol. II of industry SADCC Maseru, p. 153. The mission has been told that these terms of reference can be used as a basis for more detailed terms of the study. Nevertheless, it was agreed that Mr. Swamy-Rao will be coming to Tanzania in July for the formulation of this project which aims to strengthen the capabilities of National institutions/production units through a SADCC regional network programme of action with reference to policies, equipment, analysis, applied R + D, cooperative technology transfer and adaptation, information and prototype exchange training and manufacture.

Estimated Cost:

(i) Preparatory assistance 1983/1984:	US\$ 60,000
(ii) Project implementation 1984/1986:	740,000

US\$ 800,000

5. Establishment of a Network for the Development of Cement Industry in the SADCC sub-region

While the project would aim to rehabilitate existing manufacturing cement units in SADCC region, make study on alternative uses of cement products in SADCC region, an exploratory mission is necessary at the level of SADCC countries before starting any implementation of the programme.

The objective of the regional project is to:

- (i) facilitate the rehabilitation of existing cement factories in the SADCC countries in order to make these countries self-sufficient in cement supplies.
- (ii) promote the use of cement in concrete products and construction industries for the development of infrastructure, industry, agriculture and housing.

The project will facilitate technical co-operation and mutual assistance among the participating developing countries in the development of Cement and Concrete industries through the establishment of an operational regional network capable of:

1. Gathering and disseminating technical information on technologies, techniques, processes, research results on Cement and concrete production including information on different concrete products.
2. Identifying, initiating and co-ordinating inter-country research and development programmes of common interest in cement and concrete production and use, including feasibility studies for establishment of new plants or modification of existing plants.
3. Arranging for the provision of consultancy and advisory services in research and development of the cement and concrete industries.

4. Organizing training programmes, individual study tours and fellowships as well as meetings and workshops to cover the various aspects of operating and developing the cement and the concrete products industry with appropriate support from internal and external know-how.
5. Providing support to the development of the cement and concrete industries in the SADCC countries.

The project will result in the establishment of an operational network system (NWS) consisting of National Focal Points co-ordinated by the SADCC Industrial Unit in consultation with the SADCC Headquarters.

The SADCC Industrial Unit will maintain contact with all designated National Institutions (Focal Points) and organize linkage between the individual Institutions in order to establish and maintain the NWS.

On the substantive point of view, however, there is lack of information on the order of priorities for the rehabilitation of cement and concrete plants and which problems should be solved. Similarly, it is not possible to make a realistic work plan and to describe the institutional framework and the role it will play in the network programme. It is therefore proposed that a project formulations mission in SADCC countries be organized to draft a realistic project document.

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

The project aims at implementing 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 techniques, 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 staff to the operational stages; to identify, develop and strengthen where necessary existing management consultancy organizations in the region so that they may participate fully in the provision of services required to implement the SADCC industrial programme.

This project has been discussed by the mission, the SADCC Industrial Coordination Unit and TISCO. A consultation meeting between UNIDO, SADCC Unit and TISCO is necessary for the draft project document. Estimated duration:

Estimated duration: 2 years

Estimated cost : US\$ 891,000

7. SADCC Training Programme within ESAMI

The project should be action-oriented aiming at planning and implementing programmes for manpower development industry for the effective training of managerial and technical personnel to improve their performance and to improve the quality and performance of those currently on the job in SADCC member countries.

The training programmes of the suggested courses will comprise:

- Small-scale Industries development and Management
- Project Planning, Evaluation and Management
- Production Management
- Stock control and warehouse management techniques
- Transport projects planning, evaluation and management
- Financial Management

Subject to the financed approval for the implementation of the project by SADCC countries from any source of funding with UNIDO as executing agency and ESAMI as the governments implementing agency, UNIDO would conduct an exploratory phase during which period the programmes and syllabi of the training courses would be prepared. This preliminary phase provided by UNIDO if approved by the competent authorities, should facilitate the completion of

a survey of training needs in the SADCC countries which will provide useful data planning for the implementation of the second main phase.

Estimated costs for phase one subject financial approval phase two: US\$ 20/25,000

Estimated costs phase two: to be established by UNIDO/ESAMI.

Estimated duration: within 6 months duration for all fields.

8. Development of SADCC sub-regional framework of cooperation in the establishment and operation of industrial services institutions

BACKGROUND

For the promotion of SADCC's objective of self-reliance in the industry sector, it is necessary to have networks of national institutions tailored to provide basic services which each industrial unit is not in a position to provide for itself alone. Institutions of such nature are generally very costly and require long gestation periods until they develop into full fledged institutions capable of providing the services for which they are established. In addition, the nature and volume of industrial production in some SADCC countries may necessarily oblige them to resort to regional or sub-regional institutions to procure the services that they require.

Industrial infrastructure institutions include, but are not limited to:

1. Industrial Research and Services Institutes (IRSI), whose primary objective would be the improvement of existing industries. They provide technical information, perform chemical analysis and physical testing of materials analysis and physical testing of materials and products, as well as offer extension services such as trouble-shooting, problem solving and improvement of production methods and Technologies.

2. Standards Institutions. These Institutions develop quality standards and enforce them through system of quality control and certification marking. The divergencies of standards in SADCC countries will act as non-tariff barriers to intra-SADCC trade and hamper efforts to develop export carrings. Testing and metrology laboratories strengthen linkages between institutes and industry towards improving the quality of manufactured goods.

3. Small Scale Industry Organization undertake comprehensive programme assisting entrepreneurs in identifying industrial opportunities and implementing projects through technical, managerial, and financial assistance. Workshops providing essential services to industry and small scale manufacturing units provide beneficial linkages to larger scale enterprises.

In addition to the above, manufacturers association, chambers, training institutes, and of commerce industrial fairs constitute important media for exchange of information and guidance to local industries, foreign firms, potential investors, and other groups.

The existing institutional infrastructure varies considerably from one SADCC country to another, although it may be relatively strong in some of them, institutional infrastructure within the SADCC sub-region is still in its infancy. The common objective of self-reliance and the similarities in natural resources, markets and stages of industrial development of the SADCC countries render cooperation and integration in this field of endeavour a basic necessity for the take-off of industrialization in the sub-region.

OBJECTIVES

The immediate objective of the project is to establish a framework with short and long term plans for SADCC subregional cooperation and integration of the industrial institutional infrastructure with linkages at national levels in the following areas:

- provision of technological information, as well as statistical data on industrial production, exports and imports
- engineering designs and workshops for tools and dies, as well as the maintenance of machinery and equipment
- chemical analyses and physical testing of materials and products
- provision of technical services and research and development work relating to appropriate technologies
- establishment standards and their application through quality control and certification
- small scale industries development
- industrial manpower development programmes
- establishment and operation of other supporting organizations such as chambers of commerce, manufacturers associations, and professional societies.

ACTIVITIES

The project's activities will be carried out by a team of international experts and consultants who will visit all SADCC countries to collect and analyse information and discuss them with relevant national authorities, the SADCC industrial coordinating unit, and SADCC Secretariat. Their report will outline in full detail the stages of development of industrial infrastructure in the sub-region as it is currently existing and planned, and their resource recommendations for short and long term development on the national and sub-regional levels.

The activities could be carried out in three stages:

1. Fact finding
2. Analysis and draft findings and recommendations
3. Final report after discussion with relevant authorities and/or organizations.

INPUTS

The required inputs are estimated roughly as follows:

One Chief Technical Advisor with considerable experience
in IRSI's 8 m/m

Light short term consultants

2 m/m each in the various discipline of information,
engineering, etc. 16 m/m

The budget for UNDP inputs which should include provision for duty travel, study tours, and reports, is US\$ 250,000.

IV. SUMMARY OF DISCUSSIONS HELD BY THE VARIOUS INSTITUTIONS

MINISTRY OF MINERALS (TANZANIA)

The Ministry supports the UNIDO proposal for the establishment of a Regional Salt and Marine Chemicals Institute to enhance these countries efforts in promoting salt production.

The proposal was circulated by the SADCC Unit and further discussed by the Ministers of Industry at Maseru in January, 1983. It was agreed that the SADCC meeting of experts will be called upon to draw up comprehensive programmes on industrial supporting services. The Ministry officials suggested that STAMICO could discuss the proposal in more detail with the UNIDO mission. Since Tanzania, Mozambique and Angola are the only three SADCC countries who have salt production capabilities, it has been pointed out that the experts from the Governments of these countries would recommend the modalities for cooperation among them in the various stages of planning and implementation of the project.

STATE MINING CORPORATION (STAMICO)

The project proposal for the establishment of a Salt and Marine Chemicals Institute was discussed at length with STAMICO Officials. The Tanzania Salt Works Co., a subsidiary of STAMICO, is currently operating coastal salt works as well as Salt Mines at Uvinza. They fully support the project's concept and feel that the Institute could contribute significantly to the development of salt and marine chemicals production in SADCC countries, through dissemination of information research and training of engineers, chemists and technicians.

The setting up of a laboratory is considered, in their views, to be a major step towards research on problems of salt production and improvement of quality. To this end, STAMICO officials expressed a keen interest to develop their salt laboratory, which has been set up with assistance from UNIDO. They indicated willingness to work with other SADCC countries to achieve the aim of self-reliance in the production of salt. To this end they would cooperate in all areas relating to salt technology.

TANZANIA INDUSTRIAL RESEARCH AND DEVELOPMENT ORGANIZATION (TIRDO)

The historical background for the establishment of TIRDO was explained to the mission. The scope of TIRDO activities as a multi-purpose institution has been initially planned to include chemistry (including chemical analysis textiles, engineering, and food technology).

Due to finding constraints, the current activities at TIRDO are limited to:

- An industrial "information, engineering and extension service, which is now capable of answering queries from industry. Services requiring laboratory facilities are being carried out utilizing as much as possible existing facilities in the country.

- An electronic instrument repair service for the maintenance of TIRDO's iron instrumentation and the rehabilitation of instruments in Tanzania

- An energy audit service, designed to advise industry on energy conservation measures to save foreign exchange spent on fuel imports.

Other research and development activities of TIRDO will be developed in future years according to a long term plan, subject to the availability of funds.

TIRDO officials have expressed their belief that supporting services to industry are getting little or no attention in SADCC countries. In their views, the attainment of the SADCC objective of collective self-reliance, the strengthening of these services, which include R and D activities, is extremely important. They indicate these activities could be of great help to industry in developing technologies and production suited to the particular needs of SADCC countries, and utilizing the available natural resource.

TIRDO is strongly in favour of cooperation with institutions engaged in research and development activities with SADCC. Areas of such possible cooperation have yet to be identified. (Ref. Chap. III, projects identified).

TANZANIA BUREAU OF STANDARDS (TBS)

The Director General of TBS emphasized the need for a greater awareness and support to the industrial institutional intra-structure within SADCC, in order to provide much needed services in several areas such as standards, research and development, etc. He indicated that the unification of standards and specifications for industrial production is an essential prerequisite to Intra-SADCC trade in manufactures. He also stressed the need to create quality consciousness within the region which, in his opinion, is lacking.

As regards Standards Organizations it has been stated that Tanzania, Zambia, and Zimbabwe have certain capabilities, and that Cooperation among these institutions should be strengthened.

Discussions then centred on the project proposal entitled "Strengthening of Training capacity in quality control in Food Articles Production for SADCC". The existing food testing laboratory has been established recently at TBS with assistance from UNIDO under a trust fund contribution from the Government of Hungary. It was understood that the proposal, which was actually formulated with the help of Hungarian experts on the project, could

possibly be negotiated with the Hungarian Authorities for financing. A two stage approach was suggested, firstly to strengthen the national capability in Tanzania through the training of trainers in food articles testing and as a second stage to look into the modalities of cooperation with Standard Organisation in other SADCC countries in this and other areas of standards and quality assurance, after investigating the strengths and weaknesses of each. (Ref. Ch.III. Projects identified).

TANZANIA SARUJI CORPORATION (TSC)

TSC was established in 1976 to promote the development of building materials industries, including cement and allied products, glass, ceramics and associated clay products. The production at the oldest cement factory at Waze Hill has been falling steadily from 93% in 1978 to 42% in 1982 of rated capacity due to lack of timely repair and or resulting from replacement of obsolete equipment, foreign exchange shortage. New cement plants at Mbeya and Tanga have got to reach maximum level of operation; but to attain all objectives of productivity, many constraints would need to be considered such as transport/communications problems. TSC is keenly interested in cooperation with other SADCC countries towards rehabilitating existing machinery in the cement industry.

TSC recommends that workshops could be set up to manufacture spare parts for cement plants. They indicated that a sheet glass plant, currently under construction could supply some of the neighbouring SADCC countries. The Saruji Institute, which was established with help from DANIDA, could cooperate with SADCC in conducting training programmes for engineers and technicians in the cement industry.

TANZANIA INDUSTRIAL STUDIES AND CONSULTANCY ORGANIZATION (TISCO)

TISCO is a parastatal organization set up in 1976 to assist industry in the various stages of the project cycle, starting with identification of industrial opportunities all the way to start up and commissioning. TISCO's structure includes three consultancy divisions for Management, Industrial Studies, and Engineering, as well as an information centre and a division for administration and finance.

TISCO officials have actually undertaken consultancy work for SADCC and visited all SADCC countries, as a full fledged consultancy organization. TISCO, by virtue of its experience in Southern African Countries, is in a position to contribute significantly to SADCC industrial development in all aspects of project development.

The project proposal for "the development of Management and Consultancy Capabilities for the SADCC Programme Implementation" was discussed. TISCO Management has confirmed that they possess the capability to participate in part or all of the project's activities, as may be entrusted to them by competent SADCC Authorities.

EASTERN AND SOUTHERN AFRICAN MANAGEMENT INSTITUTE (ESAMI) (ARUSHA)

As regards the modus operandi for ESAMI to conduct programme for SADCC countries, it was clearly stated that since these countries are members of the Institute, ESAMI's mandate allows the planning and implementation of programmes for one or a group of its members. Examples of this is the cooperation with SIMPA in Swaziland, under which consultants at the two institutes work together on programmes for project planning, evaluation and management; corporate planning; financial management; manpower development; top executive seminars; and small industries. Similarly, ESAMI and the Management Services Board of Zambia have agreed to pool their resources and capabilities in the areas of financial management, manpower development consultancy and teaching materials development. ESAMI is also conducting training programme for the Zimbabwe Civil Services and Parastatal Organization in the areas of finance, transport, project planning and implementation, and human resources development.

In preparation for the meeting of SADCC Council of Ministers, the SADCC expert group meeting scheduled for July 1983 could look into the possibility of ESAMI conducting management training and consultancy programmes to meet the needs of SADCC countries. It was suggested that such programmes could be undertaken by ESAMI jointly with relevant institutions in other SADCC countries. Since ESAMI is in the process of completing a survey of training needs in fifteen eastern and southern African countries, they

are in a very good position to plan and participate actively in the implementation of the programmes to be agreed upon and sanctioned by the SADCC Council of Ministers.

ESAMI is considered to be particularly strong, though not restricted to, in the following areas:

- Human Resources Management
- Financial Management and Accounting
- Project Planning and Implementation
- Marketing Management
- Transport and Communications Management.

MANAGEMENT SERVICES

ESAMI's faculty combines a wealth of professional skills, talents, and experience which could be used to best advantage in management consultancy services, for SADCC group of countries.

THE CENTRE FOR AGRICULTURAL MECHANISATION AND RURAL TECHNOLOGY (CAMERTEC) (ARUSHA)

CAMERTEC took over the functions of the Tanzania Agricultural Machinery Testing Unit (TAMTU), and the Arusha Appropriate Technology Project (AAT^P). A new site for CAMERTEC over 80 hectares of land has been built, including workshops, offices, residential houses and testing ground. TAMTU and AATP are now scheduled to move to the new location by end 1983.

The functions of the Centre include research as well as development, design and testing of prototypes of machinery and equipment suitable for use in agricultural and rural development comprising agricultural machinery and tools, crop processing and storage, rural energy systems, water supply and irrigation equipment. The Centre presently comprises 85 people, including 13 professionals. The Centre also conduct practical training courses for village communities and consultancy services on technical aspects of agricultural mechanization.

The establishment of a SADCC sub-regional network for agricultural machinery as detailed in the UNIDO proposal was discussed with the officials of the Centre, who have indicated their whole-hearted support to the idea, and pledged their cooperation towards the fulfillment of the objectives of SADCC regional integration in the development of tractors and farm implements as approved by the SADCC Council of Ministers.

Due to time limitations, CAMERTEC work programme and facilities should provide an important link in the proposals network.

NATIONAL DEVELOPMENT CORPORATION (NDC)

NDC is now the parastatal organization responsible for the development of engineering industries. Subsidiary companies include Ubungu, Mbeya and Mwanza Farm Implements, Mang'ula Mechanical and Machine Tools Co., (MEMT) and Kilimanjaro Mechanical and Machine Tools Company (KMTT). NDC officials indicated that capacity utilization in these enterprises is very low due to the lack of essential inputs derived from foreign exchange shortage. They strongly support the regional network programme aimed at achieving higher agricultural productivity through improved low cost simple agricultural tools, animal or tractor-drawn implements, and hand operated machinery.

It is the view of NDC officials that there is a need to establish new farms implements enterprises, improve farm equipment testing facilities, standardize the production of implements, and improve the supply of simple agricultural machinery in the SADCC region. In support of the whole programme, they recommend that the machine tools sector should also be elevated.

It has been pointed out to NDC officials that UNIDO Senior Inter-regional advisor will call on them next July to discuss the problems of developing the agricultural implements and machinery at the SADCC sub-regional as well as the national levels.

ANNEX I

LIST OF PERSONS MET

Ministry of Industries

Mr. F. D. Mbagu	Principal Secretary
Mr. J. N. Rusibamayila	- Chief, SADCC Industrial Coordination Unit
Mr. C. T. Thomas	- SADCC Industrial Coordination Unit

Ministry of Minerals

Mr. S. L. Iwakatere	- Principal Secretary
Mr. A. J. Zidikheri	
Mr. D. K. Tairo	- Economist
Mr. A. W. R. Mvaisumo	

State Mining Corporation (STAMICO)

Mr. W. H. Manning	- General Manager
Mr. B. L. Mwaipopo	- Chief Mining Engineer
Mr. Kihwelo	

Tanzania Industrial Research and Development Organization (TIRDO)

Mr. C. L. Tarimu	- Director General
Mrs. L. E. Aquino	- Industrial Information
Mr. S. K. Suri	- Expert in electronics and instrumentation
Mr. K. Hintsanen	- Associate Expert
Mrs. W. N. Nyonyi	- Documentation Officer

Tanzania Saruji Corporation

Mr. R. H. Kimambo	- General Manager
Mr. R. G. Verma	- Director of Finance
Mr. I.K.L. Mwasele	- Manager, Projects Implementation
Mr. H.N.S. Murthy	- Resident Engineer, Development Consultants International, Ltd.

Tanzania Industrial, Studies and Consultancies Organization (TISCO)

Mr. E. L. Kamuzora - Director General
Mr. M. J. Clayton - Director of Management
Consultancy

Eastern and Southern African Management Institute (ESAMI)

Prof. J. J. Okumo - Director
Mr. J.M.A. Mosha - Consultant in Project Planning,
evaluation, research and
implementation
Mr. N. Lemunge - Consultant in Projects Management
Mr. T. S. Mwanyika - Consultant in Management
Accounting

Centre for Agricultural Mechanization and Rural Technology (CAMARTEC)

Mr. E. Ngaiza - Director General
Mr. F. Mujemula
Mr. S. Kitutu

National Development Corporation (NDC)

Mr. Kalikawe - Deputy Director
Mr. P. G. Daremng'ajega - Operations Dept.

PART I - LEGAL CONTEXT

PART II - THE PROJECT

A. DEVELOPMENT OBJECTIVE:

The development objective of this project is to assist SADCC group of countries in the efforts to implement the strategy of self-reliant and self-sustained regional industrial development of the sub-region. The project is, therefore, to establish and make operational a regional salt institute for SADCC member states, to provide needed support services to the development of salt and marine chemicals.

B. IMMEDIATE OBJECTIVE

The immediate objective of the project is to establish a regional institute for salt and marine chemicals for SADCC countries to fulfill the following functions for the member states:

- a) collect, disseminate, and store information on salt production, imports and exports of salt and other marine chemicals,
- b) conduct research on problems of manufacture of salt and other marine chemicals from different sources in the member countries,
- c) maintain and run a regional model salt farm for training purposes and train personnel in salt technology,
- d) conduct experiments on the manufacture of iodized salt, using locally available salt,
- e) advise member states in the economic exploitation of their natural salt wealth,
- f) in co-operation with competent standards organizations of the member states, develop quality standards of salt and other marine chemicals.

C. SPECIAL CONSIDERATIONS

The Lusaka Declaration, Southern Africa Toward Economic Liberation called for a Programme of Action for regional co-operation with the twin objectives of reducing dependence on South Africa and accelerating the sub-regional SADCC economic development. The creation of a SADCC salt and marine chemicals institute is given high priority since it will contribute to the self-reliant development in line with the Lagos Plan of Action which calls for a re-orientation of the current pattern of industrial development in Africa and the adoption of new approaches which would ensure the maximum integration of the region. It further recommends that, Intra African industrial co-operation including the establishment of multinational industrial enterprise and institution, particularly at the regional sub-regional levels, which is one of the alternative means to any break-through in the industrial development of the African continent. The SADCC salt and Marine Chemical Institute is in line with the Lagos Plan of Action and the SADCC's Lusaka Declaration.

D. BACKGROUND AND JUSTIFICATIONS

Salt is a basic material both for human food and for industrial uses. In Africa, out of 45 countries, 25 produced in 1977, 1,933 million tons of salt. Population: 283 million. According to the international statistics the following 24 countries with a population of 156,650 million do not produce salt at all.

Benin	Guinea	Rwanda
Botswana	Ivory Coast	Sierra Leone
Burundi	Lesotho	Swaziland
Cameroon	Libya	Togo
Central African Republic	Malawi	Upper Volta
Chad	Mauritania	Zaire
Gabon	Niger	Zambia
Gambia	Nigeria	Zimbabwe

In African countries, per capita consumption ranges from 2 to 3 kg. and even less in some countries, compared to the minimum 5.5 kg. per capita for tropical climate countries as per nutritional standards.

Salt production for industrial and other usage has been selected by the SADCC Industry Ministers as an industry in which regional cooperation would be desirable and worthwhile. A regional salt industry plan has already been prepared by the SADCC member countries. In

general, the situation in the SADCC countries is not much different from the other African countries. Out of the 9 countries only Angola, Tanzania and Mozambique are producers of salt and other marine chemicals. The other countries rely mainly on imports.

It is estimated that existing production capacity amounts to 270,000 tons per annum. This is less than the current estimated requirements for salt. In addition, nearly half of the capacity exists in the southern coast of Angola and is therefore in an unfavourable logistical location to supply the SADCC sub-region, being far away from any direct rail link.

The current requirement for salt "within" SADCC is about 300,000 tons per annum, of which about 275,000 tons is required for domestic consumption, and the balance for industrial purposes, principally food processing and hide tanning.

On the other hand, most of the salt produced and imported is not iodized. Therefore there is also the opportunity to iodise the salt produced and so help in the control of goitre.

As regards the quality of the salt produced in the African countries including the SADCC region, this salt is often crude and not refined. The higher qualities are mostly imported, and often packaged outside the country.

Due to lack of expertise, finance and trained personnel in the SADCC countries, the natural salt resources in ocean waters, underground brines, salt lakes or from rock salt, have not been fully developed. This technology is simple and can be imparted locally by trained personnel. Even the existing salt industry in these countries has not adopted the modern technology and is still in the undeveloped stage.

The development of the salt industry in the SADCC region is economically viable and can be achieved at relatively low cost with consequent high returns. This is because the industry is already established and only requires upgrading and expansion of existing salt pans: The technology of solar salt production is well understood by certain key personnel.

There is a need for a Central Institute in Africa to cater to the needs of the region in the design, development, and training of personnel in salt technology and to collect and publish data on salt, its production, and its origin in general.

Since there is no Central Salt Laboratory in the SADCC sub-region, it is proposed that one well operational existing laboratory may be enlarged and developed into a sub-regional Salt and Marine Chemicals Institute taking care of the needs of the SADCC countries (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe).

E. PROJECT OUTPUTS

- 1) Information and documentation Centre on salt technology and statistics on production import and export, and different salt grades and prices for such products covering the SADCC countries.
- 2) Periodical reports on up-to-date statistics pertaining to salt and marine chemicals production.
- 3) Salt and marine chemicals laboratory capable of conducting tests on quality and research on problems of manufactures of salt and other marine chemicals.
- 4) A model salt farm for training of personnel.
- 5) Minimum of 50 staff trained in the various disciplines relating to the development and operations of salt works and running of the Salt and Marine Chemicals Institute.
- 6) Advisory service for salt production, salt quality and salt marketing problems.
- 7) Advisory service for identifying new salt resources and designing and planning new salt plants upon request of the SADCC countries.

F. PROJECT ACTIVITIES AND WORK PROGRAMME

Prior budgetary arrangements among the SADCC participating countries are necessary for the formal establishment of the Institute. In order to produce the above outputs the following activities will be undertaken by UNIDO as the selected executing agency by the SADCC countries through the coordination competence of the Government of Tanzania: -

1. establish and operate a system for the collection of data on salt production in SADCC member countries, including import/exports, grades and prices.
2. Design, develop and initiate periodical reports indicating up-to-date information on salt technology and statistics in member countries to be circulated to relevant authorities and institutions.
3. establish an information and documentation centre for salt and marine chemicals.
4. establish an inquiry service to assist SADCC member countries advising on sources of technologies, machinery and chemicals and other information relating to the development of salt and marine chemicals.
5. Prepare, complete design for a quality control and research laboratory with full details on staffing, equipment specifications and test procedures.

6. Prepare a detailed implementation schedule for the establishment of the institute in a clear time frame work for all activities to be undertaken by the project, and the Government's cooperating agencies.
7. In cooperation with UNIDO Headquarters to call for bids, analyse quotations for the supply of equipment, instruments and chemicals, the follow-up on their shipment installation and initial start-up.
8. Prepare a detailed design for the model salt farm as well as a detailed schedule for its implementation.
9. Identify requirements for the development of managerial and technical manpower needed to run the Institute and strengthen salt production in member countries.
10. Recommend Training programmes and establish syllabi for courses in the managerial and technical aspects of salt works, identifying institutions for implementing these programmes.
11. Undertake on-the-job training programmes for selected technicians in salt technology.
12. Implement training fellowships and study tours abroad to acquaint high level officials on modern technologies in salt production and/or research.

G. PROJECT INPUTS

To be provided by the host government (.....)

As the SADCC member state in which the project is located will be the counterpart agency for the project on behalf of SADCC countries, the host government will provide:

- Appropriate land building and other premises to accommodate the institute's research laboratory and administrative offices satisfying the requirements.
- Provisions for the smooth operation of the institute including the facilitation of the participation of personnel of other SADCC nationalities in its work and activities.
- Suitable land for the establishment of model salt farm and will undertake the basic civil works in the establishment of the model salt farm.
- Furnish project with appropriate technical and administrative personnel, secretarial staff, drivers and vehicles.

To be provided by all participating Governments according to a cost sharing arrangement to be adapted by them:

- The cost of the operation of the salt and marine chemical institute covering staff salaries, raw materials, fuel, consumable goods and other administrative and operation costs;
- Counterpart staff to work with the internationally recruited experts;
- Provision of clerical and administrative services as required;
- Provision of local (national) transport costs of international staff during missions to the SADCC respective countries.

To be provided by UNIDO as executing agency on behalf of SADCC countries under the delegation of Tanzania

- 11-01 A high level Salt expert engineer with wide experience in the salt and marine chemicals sector of industries to establish a correspondence with contact points created by the SADCC industrial Unit in the SADCC countries for the better survey of the existing national sources of information on locally produced salt and imported salt. He will evaluate the statistical data together with the statistician and will produce periodical bulletin on the general salt situation in these countries. In consultation with the relevant SADCC authorities in charge of the salt and marine chemical, he will establish a quality control programme, arrange training courses in the model salt farm, and act as a consultant in practical production problems. He will give/set an advisory service on how to develop new salt and marine chemicals resources.
- 11-02 A statistician experienced in collective, evaluating, and presenting statistics on salt production, salt imports and exports, salt price development etc. will together with the high-level salt expert and local counterparts, edit and publish a periodical bulletin on the general salt and marine chemicals situation in the SADCC countries.
- 11-03 Various short term consultants in specific technical or administrative fields to be identified during the course of the project.
- Administration and support personnel, secretary to be assigned to the internationally recruited experts.
- 14-00 Two UN Volunteers will assist the salt expert and the statistician in their work to build up a regional salt and marine chemicals Research Institute.

- 15-00 Funds for internal travel within the SADCC countries provided for salt expert, statistician and consultants to give the possibilities of visiting other salt production plants and assisting the government and plants in further developing their national salt resources.
- 16-00 Travel funds for the backstopping officer at UNIDO.
- 31-00 Four fellows should be trained in the fields of:
- salt quality control methods
 - marine chemicals research methods
 - compiling and evaluating statistics
 - editing quarter yearly bulletins of salt.
- 49-00 Equipment. After analysis of the existing operational equipment, the salt expert will prepare lists of equipment necessary to:
- chemicals and spares necessary to update the existing salt laboratory to the level of a Regional Salt and Marine Chemicals Institute
 - Run a model salt farm
 - Lab equipment
 - Meteorological instruments necessary to conduct training courses in salt quality control
 - Training purposes
 - Teaching aids
 - establish an independent and integrated printing unit to publish the periodical SADCC bulletin.
- 52-00 Periodical reports and SADCC salt bulletin (production, reproduction, paper, inks, postage, etc.)
- 83-00 Sundries

H. PREPARATION OF WORK PLAN

A detailed work plan will be prepared on the salt expert coordinating expert, in cooperation with the SADCC industrial unit, one month after his arrival at his duty station, he will be expected to visit the SADCC countries, ascertain with the industrial coordinating government of Tanzania, the nature of sub-regional services to be set up within the SADCC salt and marine chemicals institute.

He will further be expected to prepare a time-table of the activities to be undertaken in pursuit of the objectives of the project as indicated in Part II B.

The Work Plan will be done at the start of the project and brought forward periodically, therefore may be modified, provided the modifications compatible with the general purposes of the project and respect of the spirit of integration of SADCC countries in the particular case of the establishment of a SADCC Salt and Marine Chemicals Research Institute. The agreed upon Plan will be attached to the Project document as Annex I and will be considered as part of the document.

I. INSTITUTIONAL FRAME WORK

The implementing agency for this project will be the SADCC Industrial Unit of the Ministry of Industry of Tanzania on behalf of the SADCC member countries.

In each of the 9 countries of SADCC the Ministry of Industry will be kept informed on the execution of the project.

J. PRIOR OBLIGATIONS AND PREREQUISITES

The project document will be signed by the SADCC's counterpart Ministry of Industry of Tanzania or relevant appointed authority. If proposed for the UHDP source of funding it would be by the UNDP Resident Representative at Dar es Salaam on behalf of UNDP and UNDP assistance to the project can be provided only subject to the guarantee that all the obligations stipulated in the document will be discharged by UNIDO and SADCC countries through the counterpart Ministry of Industry of Tanzania. If the project is not financed from the IPF funds but by TF or donor countries, the counterpart representative of the donor country would advise the counterpart SADCC authority in charge of the SADCC Industrial Development on the commitment of the donor's government to finance the project subject to the guarantee that all obligations stipulated in this document will be discharged by UNIDO and SADCC's competent authority for the industrial development programme.

PART III - SCHEDULE OF MONITORING, EVALUATION AND REPORTS

A. TRIPARTITE MONITORING REVIEWS

A tripartite review meeting with representatives of the management of the SADCC Salt and Marine Chemicals Research Institute or the Ministry of Industry of Tanzania on behalf of the SADCC countries, UNIDO and the donor Government will be held towards the end of the project to evaluate its achievements and to assess the need and justification for follow-up assistance.

B. EVALUATION:

The project will be subject to yearly evaluation by an official of the UNIDO Chemical Industries Branch. The final evaluation of the project will be carried out, at the end of the last month of the project by officials of Donor Government, UNIDO and SADCC countries.

C. PROGRESS AND TERMINAL REPORTS

Progress reports will be prepared by the two project experts, salt expert and statistician at the end of each six month period of the calendar year. The terminal report will be prepared and presented by the Project coordinator, the salt expert during the next-to-last six-month period preceeding the end of the project implementation period.

CLEARANCE AND APPROVAL

Proposal submitted by: Mr. M. Judt Date: 25.11.82

Proposal formulated by: Mr. M. Toure, PDEB Date:

Mr. S. Henein
SIDFA, Tanzania

In consultation with: Mr. J. Rusibamayila
SADCC Industrial
Development Unit Date:

Cleared by: Mr. N.N. Tandon
Head
Programme Development
and Evaluation Branch Date:

Mr. M. Judt Date:

Mr. H. May
Head, Chemical
Industries Branch Date:

Mr. D. A. Butaev
Director, Division of
Industrial Operations Date:

ANNEX III

SADCC Secretary
General's cable

41307 MINTRADE

2555 SADCC BD

TO: NDUGU RUSIBAMAYIIA/INDUSTRIES/DSM
DAR ES SALAAM

FROM: SADCC SECRETARIAT, GABORONE, BOTSWANA

OUR TLX NO. M24

THANKS YOUR TLX TODAY. UNFORTUNATELY I SHALL BE AWAY IN MOZAMBIQUE FROM 9-16 JUNE. IN VIEW NON-AVAILABILITY UNDP FUNDING FOR 1983 AND PROBABLY REST OF CYCLE SINCE ONLY 2.5 MILLION REMAINS FOR ALL SECTORS AFTER 1983 SITUATION DIFFICULT. IN ANY CASE COUNCIL OF MINISTERS MUST STILL DELIBERATE LATER THIS YEAR ON ALLOCATION OF PRIORITIES. I SHALL BE HAPPY TO MEET UNIDO DELEGATION BUT UNFORTUNATELY THERE IS NOTHING I CAN ADD TO ABOVE. SHOULD ALTERNATIVE DATES BE POSSIBLE KINDLY ADVISE.

REGARDS

F.A. BLUMERIS
SADCC EXECUTIVE SECRETARY

41307

2555 SADCC BD

(Received only on 31 May 1983)

MEMORANDUM OF UNDERSTANDING ON THE INSTITUTIONS
OF THE SOUTHERN AFRICAN DEVELOPMENT CO-ORDINATION CONFERENCE

The Heads of State or Government of the Member States of the Southern African Development Co-ordination Conference (hereinafter called SADCC), namely,

The People's Republic of Angola;
The Republic of Botswana;
The Kingdom of Lesotho;
The Republic of Malawi;
The People's Republic of Mozambique;
The Kingdom of Swaziland;
The United Republic of Tanzania;
The Republic of Zambia; and
The Republic of Zimbabwe;

In pursuance of their Declaration - SOUTHERN AFRICA: TOWARD ECONOMIC LIBERATION - signed in Lusaka on 1st April 1980 and, in particular, the following development objectives enunciated in the said Declaration:

- (a) Reduction of economic dependence, particularly, but not only, on the Republic of South Africa;
- (b) The forging of links to create a genuine and equitable regional integration;
- (c) The mobilisation of resources to promote the implementation of national, interstate and regional policies;
- (d) Concerted action to secure international co-operation within the framework of a strategy for economic liberation.

HAVE AGREED AS FOLLOWS:

ARTICLE I

INSTITUTIONS

The Institutions of SADCC shall be :

- (a) The Summit of Heads of State or Government (hereinafter called "the Summit")

- (b) The Council of Ministers (hereinafter called "the Council")
- (c) Sectoral Commissions
- (d) The Standing Committee of Officials (hereinafter called "the Standing Committee")
- (e) The Secretariat.

ARTICLE II

THE SUMMIT

1. The Summit shall consist of the Heads of State or Government of all Member States, and shall be of the supreme institution of SADCC and be responsible for the general direction and control of the functions of SADCC and the achievement of its objectives.
2. The Summit shall meet at least once a year.
3. The Summit shall decide upon a Chairman, from among its members for an agreed period.
4. The decisions of the Summit shall be taken by consensus.

ARTICLE III

THE COUNCIL

1. Each Member State shall appoint one of its Ministers to the Council which shall be responsible for the overall policy of SADCC, its general co-ordination, the supervision of its institutions and the supervision of the execution of its programmes.
2. The Council shall elect a Chairman and Vice Chairman from among members, and their term of office shall be for a period of one year.
3. The Council shall meet at least once a year.

4. The Council shall adopt a work programme for SADCC and designate a Member State to co-ordinate activities in specified areas.
5. The Council shall convene annually consultative meetings with cooperating Governments and Agencies.
6. The Council shall report and be responsible to the Summit.
7. The Council may, at its discretion, appoint Ministerial Committees for programmes in functional areas. The Ministerial Committees shall report to the Council.
8. The decisions of the Council shall be taken by consensus.

ARTICLE IV
SECTORAL COMMISSIONS

1. In addition to the Southern Africa Transport and Communications Commission (SATCC) the Summit may establish other Commissions for programmes in functional areas.
2. Each such Commission shall be governed by a Convention to be adopted by the Council and ratified or acceded to by SADCC Member States.
3. Commissions shall report to the Council.

ARTICLE V
STANDING COMMITTEE OF OFFICIALS

1. There shall be a Standing Committee of officials which shall be responsible to the Council.

2. The Chairman and Vice Chairman of the Standing Committee shall be appointed by the Member State holding the Chairmanship and the Vice Chairmanship respectively, of the Council.
3. The Standing Committee shall meet at least once a year.
4. The Standing Committee shall report to the Council.
5. The Council may appoint Sub-committees of officials for programmes in functional areas and may designate SADCC Member Governments to convene meetings and coordinate the work of such sub-committees. Every such sub-committee shall report to the Standing Committee.
6. The decisions of the Standing Committee shall be by consensus.

ARTICLE VI

THE SECRETARIAT

1. There shall be established a Secretariat.
2. The administrative head of the Secretariat shall be the Executive Secretary.
3. The Executive Secretary and his Deputy shall be appointed by the Summit on the recommendation of the Council.
4. The Executive Secretary shall be responsible to the Council for the following functions:
 - (a) General servicing of and liaison with SADCC institutions,
 - (b) Co-ordination of the execution of the tasks of SADCC.
 - (c) Custodianship of SADCC property.
 - (d) Such other functions as may from time to time be approved by the Council.

5. The Executive Secretary shall be responsible to, and report to, the Council and shall provide to the Council an Annual Report on the activities of SADCC.
6. The Secretariat shall have such other staff as may from time to time be appointed by the Council. The Council may authorise the Executive Secretary to appoint staff to specific posts.
7. Staff regulations shall be approved by the Council.

ARTICLE VII

THE BUDGET

1. The operational costs of the Secretariat shall be borne by Member States in proportions to be agreed upon by the Council.
2. The Executive Secretary shall prepare and submit a budget to the Council not less than three months before the beginning of the financial year. The Council shall consider and approve estimates of revenue and expenditure before the beginning of the financial year.
3. Financial regulations shall be approved by the Council.
4. The financial year of the Secretariat shall be from July 1 to June 30.

ARTICLE VIII

EXTERNAL AUDIT

The Council shall appoint external auditors and shall fix their fees and remuneration at the beginning of each financial year.

ARTICLE IX

LEGAL CAPACITY

SADCC shall have in the territory of each Member State, to the extent consistent with its laws, such legal capacity as may be necessary for the exercise of its functions under this Memorandum of Understanding.

ARTICLE X

IMMUNITIES AND PRIVILEGES

The Executive Secretary and his Deputy, and such other staff of the Secretariat as may be determined by the Council, shall enjoy in the territories of Member States, such privileges and immunities as are necessary for the fulfilment of their functions.

ARTICLE XI

INTERNATIONAL CHARACTER OF THE SECRETARIAT

1. In the performance of their duties, the Executive Secretary and staff shall not seek or receive instructions from any Member State or from any authority external to SADCC. They shall refrain from any action incompatible with their position as international officials responsible only to SADCC.
2. Each Member State shall respect the exclusively international character or the responsibilities of the Executive Secretary and staff and shall not seek to influence them in the discharge of their functions.

ARTICLE XII

QUORUM

The quorum for all meetings of SADCC Institutions, other than the Secretariat, shall be two-thirds of the Member States.

ARTICLE XIII

SIGNATURE AND ENTRY INTO FORCE

1. This Memorandum shall enter into force upon signature by all Heads of State or Government.
2. States not listed in the Preamble to this Memorandum may become members of SADCC by acceding to this Memorandum. Instruments of accession shall, subject to paragraph 1 of this Article, be deposited with the Secretariat.
3. Membership of SADCC shall not be subject to any reservations.
4. Any State intending to become a member of SADCC but not listed in the Preamble to this Memorandum may, at any time after entry into force of this Memorandum, notify the Chairman of the Summit of its desire to become a member. Admission of a new state to SADCC shall be by consensus of the Member States and the accession of the new member shall take effect after the date on which its instrument of accession is received by the Secretariat.

ARTICLE XIV

AMENDMENTS

1. The Summit may amend this Memorandum by consensus.

2. Proposals for the amendment of this Memorandum may be made by any Member State to the Executive Secretary for preliminary consideration by the Council. Provided however, that the proposed amendment shall not be submitted to the Council for preliminary consideration until all Member States have been duly notified of it and a period of three months has elapsed.

ARTICLE XV

SETTLEMENT OF DISPUTES

Any dispute arising from the interpretation or application of this Memorandum which cannot be settled by negotiation, conciliation or other means, may be referred to the Summit by any party to the dispute for decision. The decision of the Summit shall be final and binding.

ARTICLE XVI

OBLIGATIONS

The obligations assumed by Member States under this Memorandum shall, to the extent necessary to fulfil such obligations, survive the termination of membership by any state.

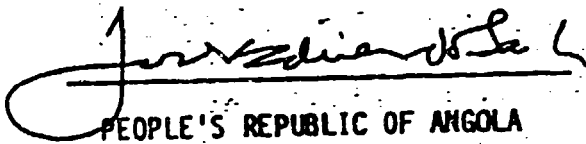
ARTICLE XVII

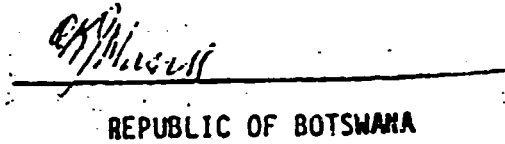
PROCEDURE

The Institutions of SADCC shall determine their respective rules of procedure.

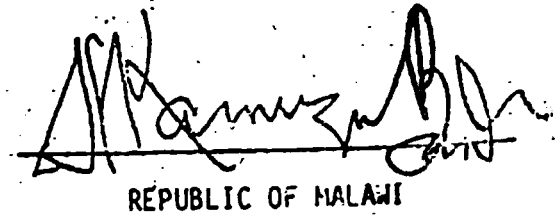
IN WITNESS whereof the Heads of State or Government aforesaid
have duly executed these presents on this 20th day of July, One
Thousand Nine Hundred and Eighty One.

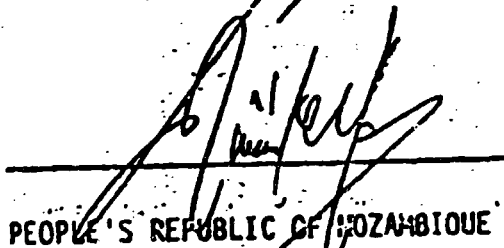
DONE AT SALISBURY, REPUBLIC OF ZIMBABWE, in eight original copies
in the English language and in three original copies in the Portuguese
language, all of which are equally authentic.

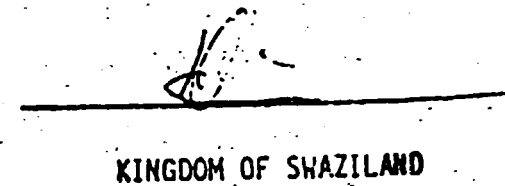

PEOPLE'S REPUBLIC OF ANGOLA

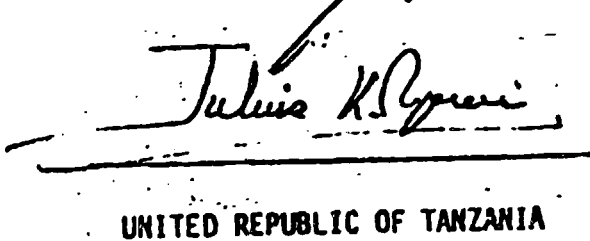

REPUBLIC OF BOTSWANA

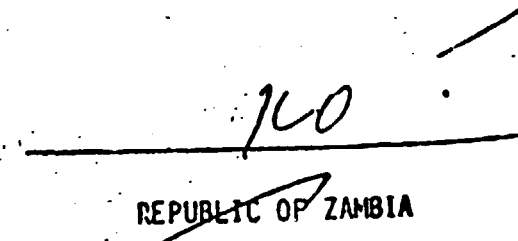

KINGDOM OF LESOTHO

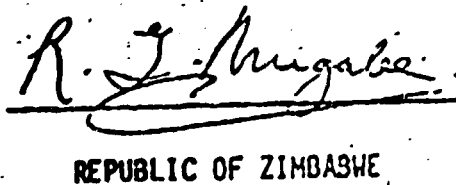

REPUBLIC OF MALAWI


PEOPLE'S REPUBLIC OF MOZAMBIQUE


KINGDOM OF SWAZILAND


UNITED REPUBLIC OF TANZANIA


REPUBLIC OF ZAMBIA


REPUBLIC OF ZIMBABWE



