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First Follow-up Subregional Meeting on the
Implementation of the Subregional Programme
for North Africa for the Second Industrial
Development Decade for Africa*

Tunis, Tunisia
22-26 November 1993



**IMPLEMENTATION OF THE SUBREGIONAL PROGRAMME
FOR NORTH AFRICA FOR THE SECOND IDDA****

Prepared by
the UNIDO Secretariat

* This meeting is being organized by UNIDO, in cooperation with the Arab Maghreb Union and the Government of Tunisia.

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INTRODUCTION

This document has been drawn up to serve as a basis for discussion at the first Follow-up Subregional Meeting on the Implementation of the Subregional Programme for North Africa for the Second Industrial Development Decade for Africa (IDDA), due to be held at Tunis from 22 to 26 November 1993.

It was prepared following visits to the countries of the subregion, in the course of which the proposals contained in document PPD.174(SPEC.) dated 6 September 1990 were examined with the officials with whom meetings were held. That review made it possible to adapt the programme to the situation currently prevailing in the subregion so as to bring it more into line with the countries' expectations and also to increase its viability. Most of the projects contained in the programme date from the first IDDA: some from 1984, others from 1988 and a number from 1990. It has been necessary to adapt and strengthen the programme in the light of the strategy adopted for the second IDDA and of the new priorities, which take into account the recommendations of the Second Follow-up Subregional Meeting on the Promotion of Intra-African Industrial Cooperation within the Framework of the IDDA, which took place at Tunis, Tunisia, on 6 and 7 October 1990, and the latest meeting of the Conference of African Ministers of Industry (CAMI), held at Port Louis, Mauritius, from 31 May to 4 June 1993.

In the drafting of this document, account has been taken not only of the above-mentioned recommendations but also of the reports on the national programmes of the various countries of the subregion that were drawn up in connection with the second IDDA and United Nations Economic and Social Council document E/1992/14/Add.1 dated 26 May 1992.

The proposed programme is action-oriented so that it will be viable, as requested by all the officials with whom meetings were held. It places emphasis on monitoring, coordination and evaluation operations, without which its objectives cannot be attained. Subregional organizations, in particular the Arab Maghreb Union and the Arab Industrial Development and Mining Organization (AIDMO), the European Community and the development banks are being called upon to support the programme and thereby enable the countries of the subregion to draw closer together, strengthen their cooperation and ultimately achieve economic integration.

This document comprises an introductory preamble, which provides a brief overview of the economic situation of the subregion, and four main sections, as follows:

(a) Status of the manufacturing sector

This survey has been prepared on the basis of the latest information supplied by the countries or obtained from UNIDO's information services, in particular from the publication Industry and Development: Global Report 1992/93.

(b) Adaptation of the subregional programme and proposals for an action programme

Following a brief recapitulation of the results of the first IDDA and a critical analysis of the current programme and of the climate of cooperation in the subregion, this section discusses proposals for adapting and consolidating the existing subregional programme for North Africa and for preparing an action programme comprising a series of action areas, for which the objectives, outputs, responsibilities, beneficiaries and durations are also set out.

(c) Broad lines of an implementation plan

On the basis of the action programme previously described, this section outlines the implementation plan for the execution of the programme, indicating the main phases, their timing and the output review and phase reporting intervals.

(d) Coordination, monitoring and evaluation

The modalities for implementing these functions and the roles of Governments and regional and international institutions in their performance are described. As emphasized above, these coordination, monitoring and evaluation operations are extremely important in ensuring the success of the programme. Indeed, it was considered essential to specify the implementing agencies as well as the officials from the countries and subregional institutions who should be appointed to ensure that the activities are strictly monitored.

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PREAMBLE

BRIEF OVERVIEW OF THE ORGANIZATION AND ECONOMY OF THE SUBREGION

I. ORGANIZATION

The North African subregion comprises seven countries: Algeria, Egypt, the Libyan Arab Jamahiriya, Mauritania, Morocco, the Sudan and Tunisia.

These countries belong to a number of regional and subregional organizations. Since the signing of the Treaty of Marrakesh in 1989, five countries have formed the Arab Maghreb Union, namely Algeria, the Libyan Arab Jamahiriya, Mauritania, Morocco and Tunisia. Six countries belong to the Tangier MULPOC (Multinational Programming and Operational Centre); they are Algeria, Egypt, the Libyan Arab Jamahiriya, Morocco, the Sudan and Tunisia. The Sudan belongs to the Preferential Trade Area for Eastern and Southern African States (PTA), and Mauritania is part of the West African group. All seven countries are members of the League of Arab States.

This web of relationships should enable the subregion to take advantage of the exceptional situation.

II. PRINCIPAL ECONOMIC INDICATORS

With a population of some 150 million, the subregion constitutes a sizeable market, which will enable it to undertake projects with economies of scale without needing to export further afield.

It has a strategic geographical location, possessing the entire southern shores of the Mediterranean, an Atlantic seaboard and access to the Red Sea.

Its resources are substantial; four of the seven countries are oil and gas producers and three (Algeria, Egypt and the Libyan Arab Jamahiriya) are oil and gas exporters. It possesses a diversity of minerals in large quantities: iron ore, copper ore, phosphates, etc.

The Nile, which flows through the Sudan and Egypt, could permit agriculture on a scale capable of supplying the entire population of the subregion and thus allow food self-sufficiency to be achieved. Similarly, the thousands of miles of coastline offer an enviable potential for fishing and tourism.

The subregion has also built up industrial assets in all sectors of industry and now possesses:

- A steel production capacity in excess of 6 million tons;
- A sizeable engineering industry;
- A major textile and leather sector;
- A fast-expanding chemical and petrochemical industry;

- An agro-industry that, although inadequate as a whole, is well developed in some countries;
- Extensive installed capacities in the building materials industry.

The extent of this wealth of the subregion is borne out by table 1 below, which indicates gross domestic product (GDP) by individual country.

Table 1
North Africa: Gross domestic product (1975-1990)
in current prices (in millions of dollars)

Country	1975	1985	1990
Algeria	14 286.1	56 476.7	60 954.0
Libyan Arab Jamahiriya	12 768.1	27 958.1	26 078.0
Mauritania	475.9	716.3	1 051.7
Morocco	8 981.8	12 873.0	25 175.0
Tunisia	<u>4 335.6</u>	<u>8 280.3</u>	<u>12 304.0</u>
Total, Arab Maghreb Union	40 847.5	106 304.4	125 568.7
Egypt	13 335.1	26 298.0	28 811.0
Sudan	<u>4 338.4</u>	<u>5 578.7</u>	<u>23 451.0</u>
Total for the subregion	58 521.0	138 181.1	177 824.7
Africa (excluding South Africa)			322 349.0
Developing countries (excluding China)			375 213.0
China			369 852.0
Former Eastern bloc countries (including USSR)			643 973.0
Developed countries			16 449 963.0

Source: UNIDO database.

This table shows the boom that occurred between 1975 and 1990, during which time GDP increased threefold.

It reveals that the subregion accounts for over half the total GDP of Africa (excluding South Africa), and represents one half of that of China and one quarter of that of the East European countries. However, it makes up only 5 per cent of the total GDP of all the developing countries and just 1 per cent of that of the developed countries.

Manufacturing value added (MVA) rose from US\$ 6,270.8 million in 1975 to US\$ 21,204 million in 1990, which denotes positive growth despite the effects of the world recession that have been felt by some countries. Table 2 below, which indicates MVA per country, prompts the following remarks:

- North Africa's MVA represents 72.7 per cent of that of the whole of Africa, which has 578 million inhabitants;
- It represents 4.2 per cent of that of all the developing countries, which have a combined population of 2,876 million inhabitants;
- It represents 16 per cent of that of China, which has 1,118 million inhabitants;
- It represents 9 per cent of that of the East European countries, which have 389 million inhabitants.

Thus, although the subregion lags well behind the developed countries and the East European countries, it ranks about average for the developing countries and is by far the leading subregion in Africa.

Table 2

Manufacturing value added in North Africa (1975-1990)
in current prices (in millions of dollars)

Country	1975	1985	1990
Algeria	1 451.6	8 177.8	5 207.5
Libyan Arab Jamahiriya	277.6	1 233.2	2 185.2
Mauritania	21.3	29.4	119.1
Morocco	1 489.5	2 679.8	4 596.0
Tunisia	<u>384.8</u>	<u>980.2</u>	<u>1 853.2</u>
Total Arab Maghreb Union	3 624.8	13 100.4	13 961.0
Egypt	2 248.9	3 701.7	5 144.1
Sudan	<u>397.1</u>	<u>497.0</u>	<u>2 098.9</u>
Total for the subregion	6 270.8	17 299.1	21 203.0
Africa (excluding South Africa)			29 167.0
Developing countries (excluding China)			501 860.0
China			132 148.0
Former Eastern bloc countries (including USSR)			234 811.0
Developed (market-economy) countries			2 820 372.0

Source: UNIDO database.

The effects of the recession were compounded for the countries of the subregion by very heavy borrowing, which reached a peak of over 118 billion dollars in 1990. Table 3 below indicates the extent of this debt burden for all the countries.

Table 3

Countries of North Africa: total debt in 1990
(in millions of dollars)

<u>Country</u>	<u>Total debt</u>	<u>Percentage</u>
Libyan Arab Jamahiriya	3 600.0	3.03
Algeria	26 063.0	22.53
Egypt	39 885.0	33.53
Morocco	23 524.0	19.77
Tunisia	7 534.0	6.33
Mauritania	2 227.0	1.87
Sudan	<u>15 383.0</u>	<u>12.83</u>
Total	118 216.0	100.00

Source: UNIDO database.

CHAPTER I

SITUATION OF THE MANUFACTURING SECTOR

I.1. STRUCTURE AND PERFORMANCE

With over 18 billion dollars value added in 1990, the subregion's manufacturing sector appears as the best among the subregions of Africa. However, compared with the world level, it represents just 0.3 per cent, and only 3 per cent of the level attained by the developing countries. This shows the magnitude of the efforts that are needed in this sector, both at the individual country level and at the subregional level in general.

The share of MVA in GDP has not changed significantly since 1975, having increased from an average of 10.7 per cent in 1975 to 12.6 per cent in 1990. Table 4 below illustrates this rising trend for the various countries.

Table 4

North Africa: share of manufacturing value added
in gross domestic product, 1975-1990

Country	1975	1985	1990
Algeria	9.3	10.8	8.5
Libyan Arab Jamahiriya	1.7	4.4	8.4
Mauritania	4.5	11.5	11.3
Tunisia	9.1	11.8	15.1
Morocco	<u>17.1</u>	<u>18.6</u>	<u>18.2</u>
Average, Arab Maghreb Union	8.3	11.4	12.3
Egypt	16.9	14.0	17.9
Sudan	<u>9.2</u>	<u>8.4</u>	<u>8.9</u>
Average for the subregion	9.7	11.4	12.6
Africa (excluding South Africa)			10.60
Developing countries (excluding China)			14.90
China			35.70
Former Eastern bloc countries (including USSR)			36.50
Developed (market-economy) countries			17.10

Source: UNIDO database.

This table prompts the following remarks:

- The subregion's share of MVA in GDP is above average for Africa but below average for all the developing countries;
- The former Eastern bloc countries and China have very high MVA shares owing to the highly integrated nature of their economies, whose GDPs are low in comparison with those of the developing countries;
- The developing countries' MVA share appears small, but this figure has to be related to the volume of GDP. Their small share is also a reflection of these countries' highly decentralized economies.

The breakdown of MVA over the different subsectors also reveals the imbalances that exist among these subsectors in the various countries, as can be seen from table 5 below.

Table 5
Composition of manufacturing value added in 1990
(in percentages)

Branch of manufacturing industry

Country	31	32	35	36	37	38	Other
Algeria	21.0	17.3	7.7	9.5	10.6	22.9	20.5
Libyan Arab Jamahiriya	19.2	10.6	44.6	18.4	0.0	1.7	23.9
Mauritania	91.0	2.9	-	-	-	2.6	3.4
Morocco	24.3	19.1	22.5	9.3	0.6	15.2	18.3
Tunisia	15.7	15.7	15.6	16.8	9.7	20.3	23.3
Egypt	27.4	16.4	15.0	8.9	13.5	13.9	13.8
Sudan	74.3	5.7	9.5	0.4	1.4	4.2	4.9

Source: UNIDO database.

The above categories of manufacturing industry have been taken from the International Standard Industrial Classification of All Economic Activities (ISIC): code 31: manufacture of food, beverages and tobacco; 32: textile, wearing apparel and leather industries; 35: manufacture of chemicals and chemical, petroleum, coal, rubber and plastic products; 36: non-metallic products (in particular building materials); 37: basic metal industries; 38: manufacture of fabricated metal products, machinery and equipment.

In terms of growth, following the boom period that continued until 1988, the effects of the economic recession and the debt burden are now being severely felt. The rate of growth of MVA fell from 13.2 per cent in 1988 to 1.2 per cent in 1989, rising again to 2 per cent in 1990.

Virtually all the subsectors have suffered a downturn, the branches most affected being the agro-food and textile industries.

Despite the global recession, some countries have achieved favourable results. The manufacturing sector was Tunisia's leading export sector in 1989 at 67.9 per cent of total exports, as it was Morocco's at 68 per cent. Egypt has also achieved encouraging results in some branches of activity. As for the other countries, the products of this sector are intended primarily to meet local demand.

Subsector performance analysis

1. The agro-food subsector

This subsector has the highest value added level within the subregion. Its average contribution to the sector's total value added was 26.6 per cent in 1990. This rate varies from country to country, ranging between 15.4 per cent for Tunisia and 74.3 per cent for the Sudan. Most of the countries have undoubtedly accorded high priority to this subsector in order to meet their food requirements and attain self-sufficiency. Nevertheless, the subregion is still reliant on imports.

Within the subsector, the manufacture of foodstuffs occupies the top position at 17.4 per cent, followed by tobacco at 5.4 per cent and beverages at 3.8 per cent.

Some countries export part of their production. This is so in the case of Morocco, whose exports under this heading in 1989 accounted for 28 per cent of the sector's total exports.

2. The textile and leather subsector

This subsector is the third highest contributor to the sector's value added. In 1990, its rate of contribution stood at 15.9 per cent, ranging, for the subregion, from 5.7 per cent in the Sudan to 19.1 per cent in Morocco.

This industrial branch, which has expanded considerably over the last 10 years, has reached different levels of development in the various countries. Production is more highly integrated in some countries (particularly Algeria), but is processing-based and export-oriented in others (Tunisia and Morocco). Also, in the cases of Morocco and Tunisia, it accounts for 37 and 29 per cent respectively of the sector's exports.

The leather industry is currently undergoing a major expansion phase, particularly in Egypt, Morocco and Tunisia.

Despite this apparent strength, the subsector is dependent on imports of raw materials and semi-finished products and, in the case of some countries, still does not meet local demand.

3. The iron and steel and metallurgy subsector

This subsector's contribution to the sector's value added in 1990 was only 8.2 per cent for the subregion. Also, the subsector's level of development differs from country to country. Three countries (Egypt, Algeria

and the Libyan Arab Jamahiriya) possess extensive capacities, amounting to a total of some 6 million tons of steel. In addition, Tunisia has an integrated steel complex, which meets a substantial portion of its requirements in a varied range of products.

Projects are under way in the various countries to expand these capacities and make up the shortfall that still exists in some products.

4. The metal construction, mechanical engineering and electrical products subsector

This subsector provides 16.1 per cent of the sector's value added, the largest share being contributed by metal construction at 6.2 per cent, followed by transport equipment at 4.1 per cent.

Within this subsector, Algeria and Tunisia possess the largest capacities, their rates of value-added contribution to the sector being 22.9 and 20.3 per cent respectively. In Algeria, this industrial branch is more highly integrated than in any other country of the subregion. It manufactures industrial vehicles (lorries, coaches and buses) as well as public works and other equipment (cranes, hydraulic shovels, tractors and combine harvesters) with a significant level of process integration.

5. The building materials subsector

This is also a crucial subsector for the subregion since it would be capable of meeting the increasing house-building requirements of the subregion's population.

Substantial production capacities have been installed in the various countries, particularly for cement manufacture, amounting to almost 40 million tons, which would satisfy the subregion's demand if the plants were producing at their maximum rate, which, unfortunately, is not the case.

There are also brickworks, stone quarries and plants manufacturing ceramic products, marble, glass, wood and wood products that possess sufficient capacities to meet current demand.

6. The chemicals and plastics subsector

This subsector's contribution to the sector's value added stands at 15.7 per cent, petroleum refining accounting for 4.9 per cent, industrial chemicals for 3 per cent, miscellaneous chemical products for 5.1 per cent, and plastics for only 1.4 per cent.

The countries where the subsector contributes the highest shares of sectoral value added are the Libyan Arab Jamahiriya at 44.6 per cent, Morocco at 22.5 per cent, Tunisia at 15.6 per cent and Egypt at 15 per cent. Paradoxically, Algeria's share for this subsector, at just 7.7 per cent, is well down, despite that country's standing as a producer of hydrocarbons.

7. The pharmaceuticals subsector

This is one of the subregion's least developed subsectors, despite its strategic role. Only a few countries - namely Algeria, Egypt, Morocco and

Tunisia - have initiated projects and are manufacturing a few products. One of the most important developments is the antibiotics production complex at Medea in Algeria, which could meet the subregion's entire demand if it were operating at full capacity.

This analysis of the manufacturing sector has shown its degree of diversification, the extent of its installed production capacities, and its output and export performance. It has also shown that these are still far below the levels achieved by the developed countries, and even by some developing countries such as the Republic of Korea and Brazil. Such a situation should incite the countries of the subregion to coordinate their efforts in developing the sector more effectively, since the basis and the potential exist.

1.2. CONSTRAINTS

Although, as indicated above, North Africa's manufacturing sector possesses many assets, it also suffers from several constraints, which restrict its performance and hamper its development.

1. The sector had originally been developed to meet local demand in each of the countries, without any coordination whatsoever at the Arab Maghreb Union or subregional level - i.e., it was designed for limited markets. It was only when production became regulated and stabilized in some subsectors that some countries' thoughts began to turn towards exporting, with the establishment - as was the case in Tunisia, Morocco and Egypt - of export-oriented enterprises, particularly in the textile and leather subsector and the agro-food industries.

Despite the advantages that they offer, these subsectors are highly dependent on imports, especially the textile and leather subsector, where the most advanced branch of activity is garment manufacture.

2. The effects of the world recession and the debt burden have limited the countries' resources, which has had an impact on the utilization of installed capacities, as is the case of Algeria, owing to a shortage of imported raw materials.
3. The world recession has also slowed down consumption and hence demand, with obvious repercussions on capacity utilization rates.
4. World requirements in terms of quality and price are forcing the countries of the subregion to modernize their production facilities and to invest in quality control and improving enterprise management and marketing skills, which means extra expenditure on top of production costs, which themselves are often high.
5. Quality requirements entail high-level training of personnel, which is an expensive exercise that accordingly has an impact on overhead expenses. Yet one feature of this sector in virtually all the countries is an insufficient level of managerial capabilities. In Tunisia, for example, technical managers account for 1 per cent, administrative managers for 3 per cent and commercial managers for just 0.3 per cent of the total workforce employed by the sector.

6. International competition in this sector is very strong, particularly from the countries of South-East Asia, and it is therefore very difficult to gain a share of the export markets.
7. Financing for the purchase of raw materials and necessary equipment (replacement or new) is both difficult to obtain and costly.
8. Inadequate equipment maintenance is one of the causes of the underutilization of installed production capacities.
9. Financial information about markets, particularly the subregion's own market, is not available, which hampers the search for potential outlets for products.
10. Political instability has been a characteristic of some countries.
11. External constraints, in particular those relating to the implications of the General Agreement on Tariffs and Trade (GATT) negotiations and relations between the countries of the subregion and the European Union.
12. Internal constraints, in particular factor costs (energy, imported inputs, development of industrial estates, etc.), human resource development, insufficient financial resources, the high cost of borrowing for small and medium-sized enterprises, and the burden of taxation.
13. Constraints specific to the private sector, namely:
 - The cumbersome and complex bureaucratic machinery;
 - The difficulties involved in acquiring land for investment purposes;
 - High interest rates;
 - The high cost of energy and imported basic raw materials.
14. The problems connected with industrial concentration, in particular oncosts.
15. The non-free circulation of goods, capital and persons (except for the Maghreb States), which hampers trade and still persists despite the legislation adopted.
16. The limited extent of technology transfer and expertise within the subregion, despite the efforts made.
17. The problem of financing intercountry commercial dealings is hampering the countries' development.
18. The disparities in the standards and norms applied constitutes an obstacle to trade.

I.3. THE ASSETS OF THE SUBREGION

The subregion possesses a wealth of assets that could guarantee its development on a par with its ambitions, provided that those assets are properly used.

A. Location

Its geographical location is ideal:

- It faces Europe, with which it shares the Mediterranean Sea;
- Its hinterland is the entire African continent, of which it forms an integral part;
- It belongs to a major geo-political bloc: the Arab world;
- It has access to America;
- It forms a linkage between Africa, the West and the East.

B. Resources

The subregion's resources are as extensive as they are varied, and include in particular:

- Large quantities of hydrocarbons (gas, petroleum), of which some countries are exporters;
- Mineral resources, in particular extensive deposits of high-grade iron ore and of phosphates;
- Not insignificant water-power resources, especially in the case of the countries through which the Nile flows (the Sudan and Egypt), in addition to the Libyan Arab Jamahiriya, which is constructing an artificial river from the Albian region;
- Agricultural resources, which, if properly exploited, would enable the subregion to achieve food self-sufficiency;
- Its extensive coastline, which offers a vast potential for fishing and tourism;
- Its position in a temperate zone, which would enable it to utilize and develop renewable energy sources, i.e. solar and wind power;
- Human resources: Since gaining independence, the various countries have been investing heavily in manpower development, and in fact thousands of engineers, technicians and managers have received training; consequently, in many fields, the countries of the subregion are now self-sufficient.

C. Infrastructures

In this area also, the assets of the countries of the subregion are extensive and include a large number of ports, airports, roads, railways, telecommunication networks and hotels, which can contribute towards opening up and developing all the geographical areas of the countries.

D. Industrial sector

Huge investments have been made in the industrial sector by the countries of the subregion.

A sound industrial base has been built up (even if not yet complete) over the entire subregion.

It includes:

- The most advanced iron and steel industry in Africa, having an installed capacity in excess of 6 million tons of steel;
- An engineering industry possessing extensive facilities and significant levels of process integration;
- A textile industry that is highly developed and export-oriented in some countries.

Even though the industrial sector has reached differing levels of development, the possibilities that it offers for complementarity and cooperation are considerable.

E. Market

With a population of 150 million and average imports amounting to close on 32 billion dollars, North Africa possesses a large and highly coveted market.

This market represents a major asset for the subregion, since it would allow it to achieve economies of scale in the execution of industrial projects. It offers a wide spectrum of products for possible manufacture, ranging from the simplest substitutes to sophisticated imports.

Viewed as a whole, the countries of the subregion have also achieved a considerable degree of diversification and specialization, which would enable them to increase their potential through the exploitation of their complementarities. In the case of imports, coordination of purchasing would allow the countries of the subregion to make substantial savings.

CHAPTER II

ADAPTATION OF THE SUBREGIONAL PROGRAMME AND PROPOSALS FOR AN ACTION PROGRAMME

II.1. INTRODUCTION: LINKAGE BETWEEN THE TWO IDDA'S

The first IDDA (1981-1990) was proclaimed by the United Nations in response to the Monrovia Declaration of 1978 and to the adoption, by the African countries, of the Lagos Plan of Action, which defined the objectives for that decade, the main ones being:

- (i) To formulate sectoral policies and programmes in strategic branches of industry;
- (ii) To identify the principal industrial projects that would benefit the countries of each subregion;
- (iii) To strengthen the institutions and establishments in each subregion in order to promote industrial cooperation and integration as a means of attaining self-reliant and self-sustaining economic and social development.

It was against that background that a meeting of all the countries of the North African subregion was organized at Tunis on 7 and 8 March 1984 for the purpose of drawing up an initial integrated industrial promotion programme for the subregion. That programme was reviewed and submitted to the responsible officials of the countries at a follow-up meeting held at Tangier in 1988. For the programme's implementation, it had been recommended that a series of measures should be undertaken by the countries, including:

- Formal endorsement of the programme and its projects by Governments;
- Incorporation of the main features of the subregional programme and its projects into the national industrial development programmes;
- Allocation of the human, physical and financial resources needed to implement the projects;
- Strengthening or introduction of operational mechanisms (companies, consultancy firms, commissions, etc.) responsible for follow-up;
- Preparation of detailed pre-investment studies;
- Improvement of manpower skills;
- Promotion of regional and subregional cooperation.

The mid-term evaluation of the results of the first IDDA in 1988 gave rise to differing assessments for each of the subregions. As regards the North African subregion, although not all the targets set had been attained, significant achievements had none the less been made.

Indeed, out of a total of nine core projects in the agro-industrial sector, two had been completed and three were in course of execution, the remainder being still at the planning stage. As regards the four projects adopted in the building materials sector, one had been completed, one was in course of execution, one was at the planning stage and the fourth had been abandoned. With regard to the chemical industries sector, the seven projects put forward had not advanced beyond the planning stage. In the engineering industries sector, out of the 22 projects scheduled, six had been completed and seven were in course of execution, the others being still at the planning stage. The only programmed project in the metallurgy sector was in the process of being executed. The scheduled support projects totalled 17; five had been completed, four were in course of execution and the remainder were at the planning stage.

The results could have been far better if it had been possible to mobilize the necessary financial resources. The fall in oil prices that occurred in 1986 affected the countries of the subregion, particularly the oil producers. The evaluation of the first IDDA was approved by an inter-governmental group and subsequently by the Conference of African Ministers of Industry at its meeting held at Harare, Zimbabwe, from 29 May to 1 June 1989, which requested that a second industrial development decade for Africa should be launched. A resolution to that effect was adopted by the United Nations General Assembly in late 1989, and the ten-year period 1991-2000 was accordingly proclaimed as the second IDDA.

Although the objectives of the second IDDA are still in keeping with the Lagos Plan of Action, the strategic approach is completely different from that of the first IDDA. Indeed, for the implementation of the second IDDA, the African Governments have been assigned responsibility for drawing up their own national programmes and for participating in the formulation and execution of the subregional programmes. The national and subregional programmes would thus form the basis of the general programme for the second IDDA.

The general programme was accordingly drawn up in September 1990 to serve as a basis for discussion at the second Follow-up Subregional Meeting on the Promotion of Intra-African Industrial Cooperation within the Framework of the IDDA, held at Tunis on 6 and 7 October 1990.

II.2. CRITICAL ANALYSIS OF THE PROGRAMME

A. Basis for the formulation of the programme

As indicated in its introduction, the report dated 6 September 1990 on the subregional programme for the second IDDA was drawn up on the basis of a critical revision of the integrated industrial promotion programme for the North African subregion presented at the Tangier meeting in 1988. The programme thus needed to be adapted to the new policies and strategies on which the second IDDA was based and brought into line with its main objectives, which are:

- To use industrialization as a means of attaining self-sustainment and self-reliance;

- To reduce external dependence;
- To strengthen internal engines of growth;
- To encourage the establishment in Africa of core and strategic industries;
- To promote and increase the use of domestic factor inputs;
- To develop, at the national and subregional levels, the necessary human, material and institutional resources for project design, project execution, negotiating skills, mobilization of financial resources and support services;
- To promote regional and subregional cooperation and strengthen physical and institutional infrastructures;
- To coordinate economic policies through the harmonization of development plans;
- To promote and coordinate scientific research activities and the creation of a network of research centres.

The objectives set out above were to be underpinned by the areas of action that had been recommended by the evaluation team for the first IDDA and which were to serve as a basis for drawing up the programme for the second IDDA. These areas of action, which number 12, are as follows:

1. Rehabilitation of existing enterprises;
2. Revitalization of public-sector enterprises;
3. Preventive maintenance and spare parts manufacture;
4. Development of agro-industrial linkages;
5. Development of the private sector;
6. Market orientation;
7. Promotion of foreign investment;
8. Development of the physical infrastructure;
9. Development of institutional infrastructure;
10. Strengthening of the banking system;
11. Regional and subregional cooperation;
12. Human resource development.

The underlying thread, as stated in the evaluation report, was to be the building up of human and institutional capabilities and of material resources.

B. The proposed programme

The proposed subregional programme for the second IDDA, as contained in document PPD.174(SPEC.), incorporates the 54 projects that had been examined at the Tangier meeting plus 11 new projects, making a total of 65 projects, including 17 support projects.

An analysis of the changes that had been made to the programme since its formulation in 1984 was also given; it showed that the portfolio of projects had been constantly expanding, the number of core projects having increased from 19 in 1984 to 42 in 1988 and to 48 in 1990. Only two projects had been abandoned.

The changes in the number of projects under the programme are indicated in table 6 below.

Table 6

Changes in core investment and support projects included in the IDDA subregional programme for North Africa

Subsector	1984	1988	1990
1. Core projects			
Agro-industries and related industries	2	5	7
Textile industries	5	4	4
Engineering industries	3	21	23
Chemical industries	2	7	8
Metallurgical industries	0	1	1
Total core projects	19	42	48
2. Support projects	6	12	17
Grand total	25	54	65

C. Strengths and weaknesses of the programme

Even though most of the projects contained in the programme date back nine years in some cases and five years in others, they do possess the advantage of having received the approval of the interested countries at the time; moreover, in many instances, pre-feasibility or feasibility studies have been carried out.

Nevertheless, since intercountry cooperation follows the political climate, some projects have been frozen and others abandoned. This

abandonment has also often been due to a lack of resources or of interested partners, or simply to a lack of promotional efforts.

It can be seen from table 6 above that the responsible officials in the countries of the subregion have focused attention on the core projects, which is fully in line with the spirit of the first IDDA.

An examination of the breakdown of the core projects by subsector reveals a clear preference for the engineering industries (23 projects proposed), followed a long way behind by the chemical and agro-food industries. The textile, building materials and iron and steel/metallurgy subsectors are represented to a limited extent, if at all, despite the existing demand and the experience acquired by many countries in these subsectors.

The programme that has been drawn up does not therefore appear to take sufficient account of certain important elements, namely:

- Position occupied by the subsectors in question within each country and in the subregion (production, importing, marketing, etc.);
- Potential complementarities existing between the various countries;
- Competition from imported goods (particularly with the movement towards market economies);
- Objective priority-setting for the subregion;
- Fostering of a climate of cooperation and strengthening of the institutions responsible for promoting cooperation;
- Consideration to be given to regulations and procedures that will facilitate the flow of trade, in particular customs, tax and banking regulations and procedures;
- Experience gained in the area of subregional and regional project execution, with a view to avoiding past mistakes and to gaining from the solutions found to the problems encountered.

II.3. ANALYSIS OF THE GENERAL CLIMATE OF COOPERATION IN THE SUBREGION

A. Organization

Prior to the formation of the Arab Maghreb Union in 1989, subregional cooperation had been viewed primarily in bilateral terms, the activities pursued up to that time having been undertaken at that level.

Since then, new impetus has been given to cooperation among the Maghreb States as a result of the organizations and bodies that have been instituted:

- The Presidential Council, comprising Heads of State, its presidency being assumed by each member State in turn for a twelve-month term of office;

- A Council of Ministers for Foreign Affairs, including Secretaries of State for Maghreb affairs, which carries out the preparatory work for the meetings of the Presidential Council;
- A Monitoring Committee, which is composed of each country's Secretary of State for Maghreb affairs and monitors the implementation of the decisions of the Presidential Council;
- Four special ministerial commissions responsible for the following areas:
 - . Economic and financial affairs;
 - . Basic infrastructures;
 - . Human resources;
 - . Food security;
- Each commission brings together several sectoral ministerial councils. The special commission for economic and financial affairs is made up of five ministerial councils, viz.:
 - . The sectoral ministerial council for industry;
 - . The sectoral ministerial council for finance;
 - . The sectoral ministerial council for commerce;
 - . The sectoral ministerial council for tourism and traditional crafts;
 - . The sectoral ministerial council for energy and mines;
- The Union's institutions, which are:
 - . The General Secretariat, which is based at Rabat;
 - . The Consultative Council, which is based at Algiers;
 - . The Judicial Corps, which is based at Nouakchot;
 - . The Maghreb Academy, which is based at Tripoli;
 - . The Foreign Investment and Trade Bank, which is based at Tunis.

Egypt joined with Jordan, Iraq and Yemen in setting up the Arab Coordination Council, which was short-lived, having been immobilized after less than one year by the Gulf crisis.

Thus only the Sudan did not belong to any group other than the League of Arab States, of which all the countries of the subregion are members; however, the Sudan recently joined the Preferential Trade Area for Eastern and Southern African States (PTA).

B. Status of cooperation

Despite the political commitment in evidence and the mood of collaboration present at the signing of the Treaty of Marrakesh, cooperation among the Maghreb States in particular and among the countries of the subregion in general has, with very few exceptions, been limited to bilateral relationships. This is borne out by the projects included in the programme in 1990. Discounting support projects, which involve all the countries, the industrial projects are all bilateral ones. Even in the area of trade, although official commercial links among the countries of the subregion are being fostered, such dealings are still very limited in scope and account for just a tiny percentage of the entire volume of trade. However, we are also witnessing the development of what appears to be an extensive informal trading sector totally outside the States' area of involvement.

The countries of the subregion are aware of this low level of cooperation and realize that they must increase cooperation if they do not want the gap that separates them from the developed countries - and even from some developing countries - to grow still wider.

Two approaches to the problem accordingly present themselves, particularly with regard to the countries of the Arab Maghreb Union:

- An approach that involves the expansion and development of trade, i.e., market-based integration; and
- An approach that favours investment planning with a view to upgrading the existing production processes in the various countries and to encouraging subcontracting arrangements, complementarities and the exploitation of unutilized capacities, i.e., industry-based integration.

Both approaches are valid and complement each other. Indeed, if products existing in one country meet a need that is present in the other countries, every effort should be made to promote trading links. This should also apply to subcontracting operations. As regards investments, we are still witnessing in some countries the implementation of industrial projects without any coordination with the other countries, and sometimes involving competing products.

Several schemes have been initiated at the bilateral level between the various countries: subcontracting between Morocco and Algeria, processing between Tunisia and Algeria, and industrial product exchanges between several countries (Algeria and Morocco, Morocco and Tunisia, Algeria and Egypt, and the Libyan Arab Jamahiriya and Egypt) in sectors as varied as the engineering industry, the iron and steel industry and the electrical goods industry.

In addition to the cooperation that exists within the subregion, as outlined above, the strategic position enjoyed by North Africa has prompted it to look both northwards and eastwards.

Bilateral agreements with the European Community are being negotiated individually by the Maghreb States, although the Arab Maghreb Union has signed one agreement with the countries of southern Europe, namely, France, Greece, Italy and Spain, joined by Malta.

Commercial dealings with the Arab States are on a limited scale and are conducted at the bilateral level, despite the efforts made by AIDMO to promote joint Arab projects.

In the light of the foregoing, the North African subregion may be said to possess all the assets for successful and fruitful cooperation among all its members, particularly in view of the political commitment that is constantly in evidence. To that end, it will be necessary for the appropriate mechanisms to be rapidly instituted and for the constraints that currently hamper cooperation to be lifted.

As regards extraregional cooperation, the fostering of agreements with the European Community could provide the subregion with the foreign investments and technology that it needs. AIDMO can play a major role in inter-Arab cooperation; it would thus be useful to involve it a little further. The Sudan and Mauritania, which also belong to other subregions, could provide a linkage for cooperation with the other subregions of Africa.

II.4. RECAPITULATION OF THE STRATEGY FOR THE SECOND IDDA

Although the key objectives of the second IDDA are not essentially different from those of the first IDDA - since the goals are still to reduce the African countries' excessive dependence on the developed countries and to promote their internal engines of growth through reliance on their own resources in order to achieve economic independence and self-sufficiency - the strategy and implementation approach are quite different.

The principal role in the first IDDA was performed by the organizations responsible for its promotion - i.e., the Organization of African Unity (OAU), the Economic Commission for Africa (ECA) and UNIDO - the programme for the Decade being thus designed and coordinated at a centralized level.

By contrast, the strategy proposed for the second IDDA involves a pragmatic, action-oriented approach, the major role being entrusted to the countries themselves, each of which is to assume responsibility for the preparatory work of drawing up its own national programme, using local experts, who have a far better knowledge of the country's background, prevailing conditions, resources and priorities. The 51 national programmes and the four subregional programmes will thus constitute the programme for the second IDDA.

It was requested of the countries that, when preparing their national programmes, they should identify those projects which could be presented as subregional programmes on the basis of the following criteria:

- Contributing to the overall objectives of the second IDDA, and in particular promoting a higher degree of self-sufficiency for the country and the subregion and fostering self-sustaining growth;
- Being too large in relation to the country's market and requiring investment beyond the country's capacity;

- Utilizing local resources (raw materials, energy, human resources) to manufacture products needed by the country and the subregion in order to reduce dependence on outside suppliers;
- Having export potential or enhancing the export potential of the countries of the subregion;
- Creating linkages with other sectors, especially agriculture, energy, distribution and transportation;
- Increasing the countries' capacity to meet the basic needs of the local and subregional populations;
- Contributing to the subregion's economic integration.

It will also be necessary to identify the material and infrastructural constraints that individual countries are unable to remove by themselves and also the constraints existing in the areas of human resources and expertise. The projects thus established will be broken down according to the different industrial subsectors defined, i.e., the basic chemicals industries, the iron and steel industry, the mechanical engineering and electrical goods industries, fertilizer production, the pharmaceutical industries, building materials, the agro-food industries etc. The most important components of this strategy envisaged for the second IDDA are:

- Maximizing the interlinkage between industry and agriculture;
- Paying special attention to the performance of investment plans concerned with rehabilitating existing production facilities and improving the performance of public enterprises;
- Strengthening the entrepreneurship base;
- Taking due account of the importance of the informal and small-scale sectors;

Placing emphasis on market orientation;

- Stimulating an industrial culture, which is a point of crucial importance since it entails certain considerations that all countries need to bear in mind when planning and implementing projects, namely:
 - Prudent selection of investments, to be based on carefully prepared and reliable feasibility studies;
 - Accurate cost estimations;
 - High levels of productivity and full-capacity plant operation;
 - Efficient maintenance systems;
 - Periodical upgrading of technological processes;
 - A marketing strategy;

- The quest for profits;
- Cost-effectiveness and international competitiveness;
- Development of managerial and entrepreneurial skills.

II.5. ADAPTATION AND STRENGTHENING THE CURRENT SUBREGIONAL PROGRAMME AND PREPARATION OF AN ACTION PROGRAMME

A. Adaptation and strengthening of the subregional programme

(a) The factors underlying the adaptation/strengthening proposals

As stated above, the programme proposed for the second IDDA in document PPD.174(SPEC.) is simply the industrial promotion and cooperation programme for North Africa for the first IDDA revised in 1988 and 1990.

Although the second IDDA is in essence a continuation of the first IDDA, its strategy and implementation approach are totally different. It is with this in mind that the following proposals are made for the adaptation and strengthening of the subregional programme.

The main principles governing this adaptation are:

- . Strengthening of the existing industrial base, encompassing:
 - Rehabilitation of existing industrial investments, this being one of the key action areas of the programme;
 - Improved efficiency of public enterprises, which formed and still form the basis of the industrial subsector for some countries of the subregion;
 - Cooperation and complementarity between the public and private sectors, since they have always been in competition and the public sector alone has benefited from all forms of State assistance (monopolies, access to foreign exchange, financing, etc.);
- . Industrial expansion, involving those subsectors identified at the meetings of officials of the subregion held at Tunis from 6 to 7 October 1990 and from 22 to 26 November 1993, in particular:
 - (i) As regards core and strategic industries:
 - Metallurgical industries (basic iron and steel industry);
 - Engineering industries (mechanical engineering and metal construction);
 - Electronic industries;
 - Computer industry (hardware and software);

- Chemical industry (in particular pharmaceuticals);
- Agro-food industry and related industries;
- Building materials industry;
- Textile (in particular synthetic fibres) and leather industries;

(ii) As regards leading edge industries:

- Industries linked to new energy sources;
- Biotechnology and genetic engineering.

. The support areas:

These relate to all industrial support services, some of which had already been proposed in the 1990 programme. They are:

- Human resource development for industrialization;
- Development of centres of excellence with a view to improved industrial productivity;
- Development of research, consultancy and engineering capabilities;
- Setting up of a subregional network of industrial and technological data banks;
- Strengthening and integration of national subcontracting and partnership exchanges;
- Development of testing, quality-control and metrology laboratories;
- Reinforcement of industrial maintenance capabilities;
- Development of standardization;
- Investment promotion.

The proposed adaptation also reflects the outcome of consultations held with the responsible officials in the various countries during the missions fielded in this connection.

It additionally takes into account the recommendations adopted at the most recent meeting of CAMI, held at Port Louis, Mauritius.

These recommendations were also restated at the Tunis meeting held from 22 to 26 November 1993. They are as follows:

- Strengthening and developing the private sector, which constitutes one of the pillars of industrial development at the present time;

- Identification of new key action areas to stimulate exports and facilitate the integration of the countries of the subregion into the world economy at competitive terms;
- Promotion of the marketing of the subregion's products, in particular through the organization of subregional trade fairs and shows;
- Harmonization of industrial policies with a view to strengthening cooperation within the subregion.

(b) The priorities of the subregion

These priorities were also reaffirmed at Tunis and restated in the report of the meeting. They are as follows:

1. Core and strategic industries

- Metallurgical industries (especially the basic iron and steel industry);
- Engineering industries (mechanical engineering and metal construction);
- Electronic industries;
- Computer industry (hardware and software);
- Chemical industry (in particular pharmaceuticals);
- Agro-food and related industries;
- Building materials industry;
- Textile and leather industries.

2. Leading edge industries

- Industries linked to new energy sources;
- Biotechnology and genetic engineering.

3. Support areas

- Human resource development for industrialization;
- Development of centres of excellence with a view to improved industrial productivity;
- Development of industrial research, consultancy and engineering capabilities (in particular capital goods design and manufacture capabilities);
- Setting up of a subregional network of industrial and technological data banks.

4. Industrial maintenance

- Development and reinforcement of existing capacities.

5. Mobilization of financial resources (investment promotion, specialized forums, technical seminars)

6. Quality and quality control

7. Additional recommendation

UNIDO, the United Nations Development Programme (UNDP) and ECA were invited to set up an African centre specializing in one of the following areas:

- Substitution products;
- Renewable energy sources;
- Biotechnology and genetic engineering;
- Computer software.

The resolutions adopted at the eleventh meeting of CAMI and endorsed by the countries of the subregion, in particular the resolutions concerning:

- The implementation of the programme for the second IDDA; and
- Development of the private sector in Africa,

place emphasis on the development of the private sector, entrepreneurship and small and medium-sized enterprises in Africa, which they consider to be a top priority in laying the foundations of regional industrialization.

These resolutions were supported by the Tunis meeting held from 22 to 26 November 1993.

It is therefore important, at the subregional level, to add this priority to those listed above.

(c) The strengthened subregional programme for North Africa

In order to uphold the spirit of the second IDDA, the subregional programme should be action-oriented and reflect the needs expressed by the countries of the subregion. It should also be geared to the new global economic trends, i.e., the market-economy system, which virtually all the countries of the subregion have espoused but whose levels of development differ from country to country.

With a very few exceptions, Governments are currently in the process of disengaging themselves from the non-strategic public sector in virtually all the countries. It is therefore appropriate to review the investment strategies that are in operation.

In this connection, virtually all the countries have drawn up investment codes with attractive incentives, aimed particularly at foreign investors. It will thus be necessary to ensure consistency between these codes, so that the countries are not in competition but rather complement one another.

Furthermore, of the listed constraints affecting the manufacturing sector, diagnostic surveys should be made of the underutilization of installed production capacities, the inadequacy of industrial maintenance and the insufficient level of management skills, with a view to the adoption of appropriate solutions for improved utilization of the existing production equipment.

The above observations prompt the following proposals:

(i) Strengthening of existing facilities

1. **Charting the subregion's industry**

Before discussing new projects, it will be necessary for the countries of the subregion to undertake a review of their existing facilities in the industrial sector.

In this respect, an exhaustive inventory should be drawn up of all production capacities available in each country, their utilization rates, standards of manufacture, and the products manufactured.

The purpose of this stocktaking exercise is to chart the subregion's industry, which is an essential prerequisite for any cooperation projects: subcontracting, processing, the exchange of products, marketing or the development of new products.

2. **Rehabilitation of existing facilities**

The preparation of such an inventory would reveal the current state of the production equipment. The various countries themselves should in fact undertake this diagnostic survey of their industrial sectors unless that has already been done (as a necessary part of the implementation of the Structural Adjustment Programmes or the movement towards privatization).

Rehabilitation of the existing production capacities becomes a key requirement when one considers the cost of new projects. Capacity utilization or productivity gains of 20 to 50 per cent can in fact often be achieved through minimal investment or appropriate remedies.

Judging by the output figures published by the manufacturing sector, many factories in the subregion are in need of the rehabilitation measures contained in the industrial development revitalization process. That need was also clearly expressed in the national programmes drawn up by the countries in connection with the second IDDA and reiterated in the course of the visits made to those countries.

To this end, UNIDO has developed a technique, known as the integrated "macro/micro" approach to rehabilitation, which it has already tried out in several countries, particularly in Africa, and which could be put into effect at the countries' request.

3. Improved efficiency of public enterprises

This action area is generally included in the national programmes. However, since the output, market and size of such enterprises make them potential candidates for subregional cooperation, it will be essential also to incorporate them in the subregional programme for North Africa. Furthermore, in some countries of the subregion, the largest enterprises are State-owned and may thus be involved both in rehabilitation and in improved efficiency efforts.

In all the countries, these enterprises form part of the strategic heritage, and it is therefore vital that they should perform all their functions, and at the same time that the role of the State should be defined (particularly with regard to the fixing of prices and the social cost).

4. Cooperation and complementarity between the public and private sectors

In countries where the public sector predominates, a marked antagonism can be observed between the two sectors, since the public sector possesses all the advantages and incurs virtually no sanctions.

The trend towards market economies, brought about by the prevailing world economic situation, is now causing a reversal of the above pattern, and in every forum the private sector is being promoted and States are being encouraged to privatize.

This trend has thus become a priority for those countries of the subregion where the State cannot be present in all sectors, particularly in the face of rising unemployment. The way to salvation is therefore to foster entrepreneurship and the development of small and medium-sized enterprises, and even micro-enterprises.

Measures are already being taken in many countries to encourage young people to set up their own enterprises. This is the case in Egypt (with the Social Fund for Development), Morocco and Algeria.

The industrial base constituted by the private and entrepreneurial sectors will thus form one of the pillars of development during this decade.

International organizations are encouraging and supporting this trend. Within this sphere, they are offering not insignificant amounts of aid, of which the countries of the subregion should take advantage. It will accordingly be necessary:

- To strengthen the support agencies - whether public bodies or private associations - that are responsible for promotion and development of this industrial base;
- To give every facility to young entrepreneurs, who generally have no knowledge of the fields of industry and management and possess no financial resources;
- To seek the necessary sources to finance equipment acquisition and enterprise start-up, through funding offered at favourable rates within the framework of bilateral or multilateral cooperation;

- To assist entrepreneurs in their investments, until production start-up, and even in their business management.

UNIDO would be willing, as was expressly requested of it at the eleventh meeting of CAMI, to make available the necessary means and its unrivalled experience in this field, in order to help this industrial base to develop. This could be carried out under the trust fund arrangements in which many major donors - both countries and large enterprises - participate. UNIDO's world-wide network of contacts with suppliers, entrepreneurs and vendors (of equipment, technology and other services) provides a virtually limitless source in this regard.

The starting point for providing assistance in this sphere would be to conduct an examination of the status of the activities being undertaken by each country, taking account of all the parties involved: government agencies, chambers of commerce and industry, entrepreneurs' federations and miscellaneous associations. In the light of these investigations, an in-depth examination and analysis would be carried out of the results achieved to the benefit of the subregion. At that time, the preparation of a full inventory of the support agencies responsible for developing this industrial base would make it possible to determine the assistance required.

(ii) Industrial growth

The criticism levelled at the programme that was inherited from the first IDDA is that its planning was not preceded by the formulation of a subregional development policy and strategy based on each country's resources, existing industries, development programmes and market.

The programme comprised a series of bilateral projects proposed by the countries for execution without any interlinkage.

In order to be effective and to take into account the essential requirements for the subregion's sectoral development, it will thus be necessary to preface the establishment of the industrial expansion programme with an industrial analysis and restructuring study.

The application of the "programme approach" method, which was developed by UNIDO and has been regularly employed in Africa since 1989, could be of considerable use in carrying out such a study, particularly in reducing the time required to complete it, since subsector analyses - mainly in the fertilizers, agro-industry, pesticides and agricultural machinery subsectors - have already been carried out in respect of some 50 countries of Africa.

Under this approach, the formulation of tentative programmes based on the developmental models of the various countries of the subregion will make it possible to analyse the industrial subsectors, work out the strategies necessary for its development, identify the technical assistance and investment requirements and determine the measures to be taken, particularly in deciding on the most viable areas of cooperation for the subregion and the best locations to be proposed. For that purpose, use will be made of the Project Profile Screening and Pre-appraisal Information System (PROSPIN) developed by UNIDO in order to arrive at a list of viable projects.

This approach will enable the viability of the projects contained in the programme presented at the Tunis meeting in 1990 to be assessed, with a view to the removal of those projects that fail to meet the criteria, in particular projects that date back to 1984 and have not advanced at all.

At the Tunis meeting held from 22 to 26 November 1993, it was recommended that the ongoing investment projects (see annex 2) should be continued and their feasibility studies updated. With regard to the investment projects not yet initiated, the Governments that had adopted and proposed them should be consulted regarding their continuation or abandonment. As for the support projects, the meeting recommended that they should be continued.

The examination of the subregion's manufacturing sector and of its imports and exports already provides us with an indication of those subsectors where intercountry cooperation is possible and of the products that can be exchanged or manufactured jointly.

The current status of the industrial subsectors in question within the various countries is illustrated by the summary table appearing in annex 1.

It prompts the following recommendations, which will need to be verified by the industrial analysis and restructuring study.

1. The iron and steel and metallurgy subsector

This subsector is highly developed in three countries, namely Egypt, Algeria and the Libyan Arab Jamahiriya, which together produce almost 90 per cent of the subregion's steel. Tunisia has an iron and steel complex that is integrated but small. However, the experience that it has acquired is very useful.

Frequent contacts take place among these four countries, for the purpose of commercial dealings as well as technical cooperation.

This growth area should be encouraged and be used by UNIDO as an example not only for the other subsectors but also for other subregions.

Two regional organizations exist within this subsector:

- The Arab Iron and Steel Union, whose headquarters are at Algiers and whose membership includes virtually all the Arab enterprises that produce or handle steel;
- The Maghreb Iron and Steel Committee, which has its headquarters at Rabat and encompasses the steel-producing companies of the Maghreb States.

The subregion's steel producers are members of one or other of these organizations, and some (the Maghreb enterprises) belong to both.

Despite its existing capacities, the subregion is an importer of steel. Consequently, a number of plant construction and extension projects are currently being studied. Also, within the framework of subregional integration, a project for the production of pellets using Mauritanian ore has

been under consideration for some years and its feasibility study is at present being updated. This project, which will involve several countries of the subregion and is being sponsored by AIDMO, is a suitable candidate for subregional cooperation.

2. The metal construction and mechanical engineering subsector

In this subsector also, Algeria and Egypt possess extensive facilities, in particular for the production of agricultural machinery, industrial and private vehicles, public-works equipment and machine tools. Morocco and Tunisia also manufacture a few products but to a lesser extent than the first two countries. A number of projects contained in the programme for the first IDDA have been carried out in this subsector. They concern the manufacture of small diesel engines in Tunisia in cooperation with Algeria, and two joint projects involving Tunisia and Morocco, the first relating to the production of machine tools for metalworking and the second to the manufacture of woodworking machinery.

The level of equipment imports into the subregion is so high - accounting for between 25 and 30 per cent of all imported goods - that the development of this subsector, apart from being of strategic importance, is a crucial requirement for the subregion.

Within this subsector, in addition to the need to identify viable subregional projects, it will be necessary to foster intra-subregional subcontracting operations, of which there have in fact already been a few successful instances between Morocco and Algeria and between Tunisia and Algeria.

3. The electrical and electronic engineering subsector

In this subsector, it is again Algeria, Morocco, Tunisia and Egypt that possess the largest manufacturing capacities, but for electrical goods only. The electronics division is not highly developed. Apart from a few product assembly shops, manufacture is very limited, except in the case of Algeria, which has set up a large integrated complex for electronic goods.

This subsector also needs to be extensively developed, in view of its linkages with the other subsectors. The previous programme comprised four projects, three of which were proposed at the bilateral level and one, at the instigation of AIDMO, as a joint Arab project. To date, only one has made any headway towards implementation.

Because of the size of the subregion's market and the limited extent of its production capacities, this subsector offers a very wide scope for cooperation, whose contours would be readily identifiable. One possible avenue to explore would be the starting up of production based on assembly activities (as is already the case with some products) and gradual process integration.

4. The informatics subsector

The countries of the subregion are mainly informatics users rather than informatics producers. Experiments in computer hardware manufacture have been attempted in Algeria but have not progressed to any great extent. Assembly

activities do exist but do not account for a large market share, demand being met almost entirely by imports. In other countries, such as Morocco and Tunisia, assembly operations have also been initiated, but very little intercountry trade exists within this subsector.

With regard to the development of computer software, some countries, including Tunisia, Algeria and Morocco, have already acquired useful experience, which would benefit from being developed further and coordinated in order to accelerate the industry's growth. This also applies to computer skills development, in which field not only the universities and specialist institutes but also a multitude of private schools offer introductory and advanced training courses.

In this area also, cooperation to enable experiences to be shared, trainer and trainee exchanges to take place and training programmes to be harmonized would be most beneficial.

5. The chemicals subsector in general and pharmaceuticals in particular

The chemicals subsector has been developed by the countries of the subregion with the aim of exploiting their natural resources, particularly phosphates, oil and natural gas. The summary table in annex 1 shows that the countries that have achieved the greatest progress in this subsector are Egypt and Morocco, followed by Algeria, the Libyan Arab Jamahiriya and Tunisia. Several projects had been included in the previous programme, but none has advanced beyond the pre-feasibility study phase.

Because of the available resources in the subregion and the increasing demand both within and outside the subregion, viable projects can be readily identified and studied.

In the specific case of the pharmaceuticals branch, which is at the embryonic stage, there is only one country where it is moderately developed: Algeria. In the other countries, it has not progressed beyond the stage of a few formulating plants and the market preparation of imported products.

Because of its strategic role in meeting the increasing needs of the populations, this branch should be afforded special attention. Coordination has been initiated - particularly among the Maghreb States - in the joint purchasing of products and in product exchanges. The expansion of this experiment and its extension to other countries would be most beneficial.

6. The agro-food and related industries subsector

The countries of the subregion have a strong agricultural and livestock-raising tradition, which explains the relatively advanced state of this subsector. As mentioned elsewhere, some countries are even producing surpluses, which they are exporting. Viewed as a whole, however, the subregion suffers from a shortfall in many products, which is made up through imports.

High priority is being accorded to the agro-food industries within the context of the Decade. The countries of the subregion, aware of the strategic importance of this subsector, have accordingly given it prominence in their national programmes.

At the subregional level, several projects had been included in the programme: two in 1984, three in 1988 and two in 1990, only one of which has been executed, this being a joint project between Algeria and Mauritania concerning the extension of a fish-processing plant.

Liberalization of intercountry trade could bring the producers of the various countries closer together and lead to the initiation of industrial cooperation schemes based on product exchanges.

7. Industries linked to new energy sources

These "leading edge" industries are at the experimental stage in some countries of the subregion. In the development of the use of solar energy, however, Algeria has acquired a little experience and has been developing the manufacture and use of solar panels.

In view of the availability of this energy in most countries of the subregion owing to their geographical location, the countries concerned should explore this future area of activity, particularly countries that lack energy facilities, e.g., the Sudan, Mauritania and Morocco.

The same applies to wind energy, which is extensively used in the Saharan regions for drawing well-water. The equipment required is rudimentary, inexpensive and easy to construct.

With regard to the development of nuclear energy, this is really at the stage of the research centre, and in two or three countries only.

For all these industries, cooperation and coordination among the various research centres, together with the support of international organizations, could increase their degree of market penetration and make them essential alternative energy sources for the future.

8. Biotechnology and genetic engineering industries

These industries, too, are virtually non-existent as such, although studies have been conducted in some countries and research centres are in the process of being established. In order to foster their development within the subregion, a project to set up a regional centre in Africa had been included in the programme in 1984.

The revival of that project would be highly beneficial for the subregion.

9. Building materials subsector

In this subsector, substantial production capacities have been installed for cement, brick products, ceramics, quarried stone, cement-based products and other materials required in the construction industry. However, for a variety of reasons, the production facilities often operate at low utilization rates, thus forcing some countries to resort to imports. Among the factors that restrict output are the shortage of spare parts, the lack of plant renewal and, in the case of some facilities, the need for total rehabilitation.

Some countries produce surpluses, which could be supplied to the subregion's importing countries pending the conclusion of cooperation and partnership agreements between producers. Two examples of subregional cooperation exist within this subsector (between Algeria and Tunisia).

10. Textile and leather industries

These industries are fairly well developed in most countries of the subregion, and some countries (Tunisia, Morocco and Egypt) even have export industries. However, these industries' weak point lies in their lack of process integration. They are dependent on imports, of which two major items are synthetic fibres for the textile industry and rawhides for the leather industry.

It is thus necessary for production plants that can supply this subsector with the necessary inputs to be developed at the subregional level through intercountry cooperation.

(iii) Support services

Special attention should be focused on the environment in which the industrial sector is evolving, at both the national and the subregional levels.

An enabling climate and conditions that are conducive to sound industrial investment and to successful enterprise operation should thus be created. Such conditions are highly dependent on government policy and regulations.

Industrial growth at the country or subregional level cannot take place unless the institutional and infrastructural obstacles are removed and the appropriate institutional frameworks, mechanisms and structures are set up.

Indeed, how can profitable investments be generated if the constraints that hamper the smooth progress of existing industries continue to exist?

The subregional officials responsible for industry with whom meetings have been held in connection with the present study are aware of this situation and are in fact allocating top priority to the area of support services, without which viable investments and cooperation will be difficult to achieve.

The subregional programme for the first IDDA had identified 17 support projects, five of which are reported as having been completed.

The non-executed projects under the previous programme should be reincluded and their contents reviewed in the light of the changes in the economic environment of the subregion, the new priorities and the suggestions put forward at the Tunis Meeting, i.e.:

- Computer-assisted production and maintenance in the iron and steel industry, taking into account experiments conducted in Algeria and Egypt;
- Quality-control training, based on a study of this function for the subregion;

- Assistance in the development of data banks and of specialized computer software exploiting the existing experience, for the benefit of other countries;
- Interconnection and optimum utilization of national subcontracting and partnership exchanges, as a tool for improving knowledge of existing technological capabilities and matching supply and demand among enterprises in the various countries concerned, as a means of fostering intercountry subcontracting operations, of identifying project ideas and of promoting technological innovation;
- Promotion of industrial projects in general, and in particular of the projects relating to the manufacture of spare parts and to the construction of a pelletization plant in Mauritania, the feasibility study for which is currently being updated by AIDMO.

The studies relating to the strengthening of the existing facilities would also be included here, i.e.:

- The preparation of an inventory of the production capacities available in the subregion's industrial sector and of an industrial map of the subregion;
- A diagnostic survey of the subregion's industrial sector, based on the integrated "macro/micro" approach to rehabilitation, with a view to identifying the enterprises to be rehabilitated and the necessary measures to be taken in this area (identified above);
- Strengthening of the support agencies responsible for promotion and development of entrepreneurship and the private sector, in particular small- and medium-scale industry (identified above);
- Development of centres of excellence;
- Development of testing, quality-control and metrology laboratories;
- Harmonization of the standards currently in force in the subregion;
- Harmonization of customs, insurance and banking regulations and commercial codes;
- Development of the human resources needed for industrialization.

Furthermore, prior to the initiation of the industrial expansion programme, it is suggested that a study be undertaken on the restructuring of the industrial sector, using the "programme approach" method as a basis.

Such a study would identify the areas where cooperation is possible, the projects that could be implemented and their best possible locations, for each subsector. These factors are essential for carrying out the feasibility studies and will provide the means for convincing the countries, promoters and partners.

The list of projects contained in the previous programme is reproduced in annex 2, for reference purposes, to enable the subregional officials responsible to remove those projects that are no longer of interest. This list will of course be revised upon completion of the industrial restructuring study.

B. Preparation of an action programme

(a) Strategy and objectives

The global recession, the debt burden and the effects of the Structural Adjustment Programmes on those countries that have been forced to adopt such measures have brought about a significant reduction in the financial resources of the countries of North Africa.

It is therefore logical, in these critical times, to concentrate the available resources on strengthening the existing facilities with a view to achieving the best results and maximum impact at the subregional level, in order to promote industrial integration in those areas where it can be achieved.

Consequently, for the industrial expansion phase, the choice of projects to be adopted should be undertaken with extreme caution, their selection being based on the results of the overall study of the subregional industrial sector and of the carefully prepared feasibility studies. This will ensure that the projects that are adopted will have the greatest chance of success and also have beneficial repercussions as regards subregional cooperation.

The implementation strategy for the subregional programme for North Africa must accordingly be selective, and efforts should be focused on those areas that will enable significant results to be achieved at less cost. It is therefore proposed that the subregional programme be translated into actions - with clearly defined objectives, outputs and responsibilities - which can then be readily organized and coordinated on the basis of the priorities and implementation requirements.

(b) The action programme

The identification of the areas of action making up this programme follows the plan adopted for the strengthened subregional programme for North Africa. These action areas will then be grouped together into execution phases when the implementation plan is drawn up.

(i) Strengthening of existing facilities

- Action 1:** Industrial mapping of the subregion
1. Objectives: To draw up, for all the industrial subsectors of the various countries, an inventory of:
 - The available production capacities;
 - The utilization rates;
 - The products manufactured and standards applied.
 2. Outputs: An industrial map of the subregion for each of the subsectors.
 3. Responsibility:
 - The Ministries of Industry of each country;
 - The Arab Maghreb Union and AIDMO will, with UNIDO assistance, be responsible for subregional coordination.
 4. Beneficiaries: The various countries of the subregion, in particular the Ministries of Industry, the economic operators of the countries, both public and private, and regional organizations (Arab Maghreb Union, AIDMO and the African Development Bank (ADB)) and international organizations (UNIDO and ECA).
 5. Estimated duration: Six months, involving two consultants per country.

Action 2: Diagnostic survey of the subregion's industrial sector with a view to its rehabilitation

1. Objectives: To assist each country of the subregion in carrying out a diagnostic survey of its industrial sector with a view to its rehabilitation, using the integrated "macro/micro" approach to rehabilitation developed by UNIDO.
2. Outputs: The current status of each country's industrial sector, including its strengths and weaknesses. An analysis will have been made of the causes of these weaknesses, with a view to the proposal of corrective action programmes to improve enterprise operation and management.

3. **Responsibility:** The Ministries of Industry of the various countries, with UNIDO assistance in coordination with AIDMO and the Arab Maghreb Union.
4. **Beneficiaries:** The public and private industrial enterprises of each country.
5. **Estimated duration:** Six months, involving six consultants per country.

Action 3: Assistance in strengthening and developing the subregion's private sector

1. **Objectives:** To prepare an inventory of all agencies responsible for supporting the development of this sector, analyse their needs and, on the basis of their priorities, define and implement the necessary assistance activities.
2. **Outputs:** Various forms of assistance:
 - Setting up of promotional and assistance mechanisms at the establishments included in the inventory;
 - Training of assistance personnel;
 - Setting up of management tools;
 - Preparation of a directory of small- and medium-scale industry project profiles.
3. **Responsibility:** The agencies responsible for promoting the private sector, in coordination with the Ministries of Industry, with UNIDO assistance in cooperation with finance institutions.
4. **Beneficiaries:** Private enterprises, private entrepreneurs, chambers of commerce and industry, employers' federations and associations, and private-sector promotional agencies.
5. **Estimated duration:** Eighteen months, involving two consultants per country (including joint training, meetings and subregional workshops).

Industrial expansion

- Action 4:** Assistance in industrial restructuring and analysis
1. Objectives: To analyse the various industrial subsectors in the countries of the subregion using the "programme approach" method, with a view to the formulation of the necessary strategies for the subregion's development, and also the FROPSPIN technique developed by UNIDO for project analysis and selection.
 2. Outputs:
 - Establishment of a development policy and strategy for the subregion's industrial sector based on its resources and facilities;
 - Identification of areas of possible cooperation;
 - Identification of ideal project locations;
 - Proposal of a list of subregional projects arrived at by means of the PROPSPIN technique developed by UNIDO.
 3. Responsibility: The Ministries of Industry of each country, with UNIDO assistance in coordination with AIDMO, the Arab Maghreb Union and financial institutions such as ADB.
 4. Beneficiaries: The Governments of the various countries, the Arab Maghreb Union and AIDMO.
 5. Estimated duration: Six months, involving six consultants per country.
- Action 5:** Continuation of ongoing core projects under the previous programme
1. Objectives: To continue the implementation of core projects in operation.
 2. Outputs: Arranging of investments.
 3. Responsibility: The project partners, possibly with assistance from UNIDO and financing organizations.
 4. Beneficiaries: The project partners.
 5. Duration: Variable.

Support areas

Action 6: Assistance in quality-control development in the subregion's industrial sector

1. Objectives: To assist the countries of the subregion in developing quality enhancement programmes.
2. Outputs:
 - Setting up of agencies responsible for the development and expansion of quality control in the subregion;
 - Development of quality enhancement programmes;
 - Training of technical personnel;
 - Assistance in programme implementation.
3. Responsibility: Ministries of Industry and Commerce in the various countries and existing quality-control organizations, with UNIDO assistance in coordination with the Arab Maghreb Union and AIDMO.
4. Beneficiaries: The economic operators and organizations responsible for quality control.
5. Estimated duration: Twelve months, involving two consultants per country.

Action 7: Assistance in the development of industrial maintenance

1. Objectives: To help the countries of the subregion in removing constraints that restrict the utilization of their plants at full capacity.
2. Outputs:
 - Formulation of maintenance programmes in the various subsectors;
 - Establishment of computer-assisted maintenance management systems and procedures;
 - Training of instructor personnel.
3. Responsibility: Ministries of Industry and agencies responsible for maintenance development, with UNIDO assistance in coordination with AIDMO and the Arab Maghreb Union.

4. **Beneficiaries:** All industrial enterprises, maintenance firms, and training organizations and institutions in the various countries.
5. **Estimated duration:** Twelve months, involving two consultants per country.

Action 8:

Institution building (i)

1. **Objectives:** To assist in the harmonization of regulations within the subregion, with a view to promoting trade and economic integration.
2. **Outputs:**
- Comparative study of the different regulations in existence in the countries of the subregion (transportation, insurance, commercial codes, banking system, customs, investment codes);
 - Adaptation proposals aimed at promoting relationships between the various countries in the areas of trade and industrial investment;
 - Staff training.
3. **Responsibility:** Ministries concerned in each country and organizations responsible for these areas, with assistance from UNIDO and other relevant organizations (ADB, United Nations Conference on Trade and Development, etc.).
4. **Beneficiaries:** All concerned organizations and agencies in the subregion.
5. **Estimated duration:** Twelve months, involving three consultants per country.

Action 9:

Institution building (ii)

1. **Objectives:** To adapt and harmonize the metrology and standards used in the various countries, with a view to promoting trade and integration.
2. **Outputs:**
- Proposal for the establishment of an organization responsible for standards and metrology in each country where no such organization exists;
 - Inventory and comparative study of the standards used in industry in the countries of the subregion;
 - Dissemination of these standards to all the countries;

- Adoption of common standards and metrology;
- Establishment and training.

3. **Responsibility:** Ministries of Industry and existing standards organizations, with UNIDO assistance in coordination with AIDMO.
4. **Beneficiaries:** All economic operators and organizations responsible for standards.
5. **Estimated duration:** Six months, involving one expert per country.

Action 10: Assistance to national subcontracting and partnership exchanges

1. **Objectives:** Interconnection and optimum utilization of the various national subcontracting and partnership exchanges as part of the continuation of the measures to institute these exchanges with a view to strengthening subregional integration.
2. **Outputs:**
- Establishment of a network linking the existing exchanges, in order to make them accessible within the country and from the other countries;
 - Completing the existing facilities;
 - Organization of subregional workshops.
3. **Responsibility:** The exchange officials, with UNIDO assistance.
4. **Beneficiaries:** The subcontracting exchanges, industrial operators and maintenance organizations.
5. **Estimated duration:** Twelve months, involving two experts per country.

Action 11: Establishment of a Maghreb industrial information network

1. **Objectives:** To exploit the experience existing in the Maghreb States with a view to designing and setting up an industrial information network that will promote industrial integration.
2. **Outputs:**
- Inventory of industrial data processing and dissemination agencies, information users, and available resources;

- Design of a system at the Maghreb level through the adaptation of the systems existing locally;
- Completing the existing facilities;
- Setting up the system.

3. **Responsibility:** Ministries of Industry and organizations responsible for gathering, processing and disseminating industrial information, with UNIDO assistance in coordination with the Arab Maghreb Union and AIDMO.
4. **Beneficiaries:** The economic operators and data systems organizations.
5. **Estimated duration:** Twelve months, involving two experts per country.

Action 12: Assistance in industrial consultancy and organization

1. **Objectives:** To help develop the capabilities of the Maghreb (extendable to the other countries of the subregion) in the area of industrial consultancy services and engineering studies.
2. **Outputs:**
- Implementation of the findings of the study conducted in 1993 by the UNIDO Area Programmes Division;
 - Help in the setting up of national and subregional associations and federations of consulting engineers;
 - Assistance to consultancy firms and consultants' associations in the methods used for conducting and evaluating project and management studies;
 - Organization of technical workshops.
3. **Responsibilities:** The various Ministries, development organizations and consultancy and employers' associations, with UNIDO assistance in coordination with the Arab Maghreb Union and AIDMO.
4. **Beneficiaries:** The local consultancy firms (public and private), consulting engineers, consultants' associations and development organizations.
5. **Estimated duration:** Twelve months, involving two consultants per country.

Action 13:

Industrial training

1. Objectives: To develop the subregional human resources needed to accelerate the industrialization process.
2. Outputs:
 - Assistance to selected industrial training organizations in the revision of programmes and methods, including the provision of teaching aids;
 - Training of trainers in areas to be defined, at the country level or at subregional workshops;
 - Organization of internships.
3. Responsible bodies: Ministries of Industry, ministerial departments responsible for vocational training, training organizations, chambers of commerce and industry, and employers' associations, with UNIDO assistance.
4. Beneficiaries: The industrial sector and training institutions.
5. Estimated duration: Twelve months per country.

Action 14:

Institutional support

1. Objectives: To assist the Maghreb Association of Operators in the Motor Vehicle Sector in implementing its action plan to promote subregional industrial integration.
2. Outputs:
 - Study of subcontracting projects;
 - Search for implementation partners;
 - Project development;
 - Organization of specialized shows;
 - Strengthening of the Association's structures.
3. Responsibility: Ministries of Industry and the Maghreb Association of Operators in the Motor Vehicle Sector, with UNIDO assistance in coordination with the Arab Maghreb Union.
4. Beneficiaries: Maghreb operators in the motor vehicle and subcontracting fields, the national subcontracting exchanges and the Maghreb Association of Operators in the Motor Vehicle Sector.
5. Estimated duration: Twelve months, involving two consultants.

- Action 15:** Support in the establishment of small and medium-sized enterprises and promotion of entrepreneurship
1. **Objectives:** To assist the subregion's organizations, associations and institutions responsible for promoting small- and medium-scale industry and subregional entrepreneurship.
 2. **Outputs:**
 - Inventory of all measures to be undertaken with a view to fostering enterprise creation: "single-window" arrangements, various incentives, subsidized financing, etc.;
 - Promotion of cooperatives of young entrepreneurs;
 - Preparation of project feasibility studies and technology marketing and adaptation plans;
 - Entrepreneurial and managerial skills development;
 - Meetings of Maghreb association officials to be organized.
 3. **Responsibility:** Organizations and associations responsible for the development and creation of small and medium-sized enterprises, chambers of commerce and industry, and employers' associations, with UNIDO assistance in coordination with AIDMO.
 4. **Beneficiaries:** Maghreb operators and entrepreneurs, and associations concerned with investment promotion and small- and medium-scale industry.
 5. **Estimated duration:** Twelve months, involving one consultant per country.

- Action 16:** Contribution to environmental improvement
1. **Objectives:** To study industrial pollution along the Mediterranean coastline (the scheduled study in the 1988 programme was to be financed by Sweden).
 2. **Outputs:**
 - Identification of sources of pollution;
 - Proposal of solutions to limit its effects;
 - Assistance in implementing solutions.
 3. **Responsibility:** The Ministries and organizations responsible for fish and marine resource management, with UNIDO assistance.

4. **Beneficiaries:** All the countries of the subregion.
5. **Estimated duration:** Eighteen months, involving one expert.

Action 17: Organization of technical meetings

1. **Objectives:** To organize five subregional meetings (including two on the themes of new energy sources and bio- technology), with a view to promoting research and strengthening the responsible institutions.
2. **Outputs:**
- Adoption of an action plan for each field, with a view to coordinating and fostering cooperation in these areas among the countries of the subregion and with the developed countries;
 - Study on the establishment of subregional centres in these fields.
3. **Responsibilities:** Ministries of industry and research and responsible organizations, with UNIDO assistance.
4. **Beneficiaries:** The research organizations in the countries of the subregion.
5. **Estimated duration:** Not applicable.

Action 18: Training

1. **Objectives:** To assist in the development of sectoral planning capabilities within the subregion (project scheduled under the 1990 programme).
2. **Outputs:** Sectoral studies (which could be undertaken in parallel with the industrial restructuring study in order to maximize the use of the resources available).
3. **Responsibility:** General Secretariat of the Arab Maghreb Union, AIDMO and the countries' Ministries of Industry, with UNIDO assistance.
4. **Beneficiaries:** The countries of the Arab Maghreb Union and General Secretariat of the Union.
5. **Estimated duration:** Two years, involving one technical adviser.

Action 19:

Project promotion

1. **Objectives:** To assist the countries of the subregion in organizing joint project promotional meetings, to be arranged possibly alongside specialist trade fairs.
2. **Outputs:**
 - Presentation to potential local and foreign investors of the subregional projects adopted;
 - Selection and invitation of potential investors jointly by the subregion, UNIDO and finance organizations (for example, ADB) as sponsors;
 - Establishment of the necessary associations to implement the projects.
3. **Responsibility:** The subregional officials, the Arab Maghreb Union, AIDMO, ADB and UNIDO.
4. **Estimated duration:** Three or four meetings during the decade.

Action 20:

Initiation of project implementation based on the agreements concluded between the countries following the selection of the projects and on the outcome of the promotional activities

Action 21:

Organization of specialized trade fairs in the countries of the subregion

1. **Objectives:** To select further sectors during the decade (trade fairs are already being organized in respect of some sectors in the subregion) with a view to promoting them by means of specialized trade fairs, alongside which the technical meetings could be held.
2. **Output:**
 - Opportunity for operators to get to know one another, make their products known and establish relations;
 - Opportunity for the operators of the subregion to get to know operators from other subregions and regions.
3. **Responsibility:** Ministries of industry and commerce, employers' associations, representatives of chambers of commerce and industry, and the Arab Maghreb Union, with UNIDO assistance.
4. **Beneficiaries:** The economic operators of the subregion.
5. **Estimated duration:** Five trade fairs during the decade.

C. Recapitulation of action areas

- a1 Industrial mapping of the subregion
- a2 Rehabilitation studies
- a21 Rehabilitation
- a3 Development of the private sector
- a4 Industrial restructuring study
- a41 Identification of subregional projects
- a42 Project feasibility studies
- a5 Continued implementation of ongoing projects
- a6 Development of quality control
- a7 Development of industrial maintenance
- a8 Harmonization of subregional regulations
- a9 Harmonization of standards and metrology
- a10 Interconnection of national subcontracting exchanges
- a11 Establishment of the Maghreb industrial information network
- a12 Strengthening of study and consultancy capabilities
- a13 Development of subregional human resources
- a14 Strengthening of the Maghreb Association of Operators in the Motor Vehicle Sector
- a15 Support in the creation of small and medium-sized enterprises and entrepreneurship promotion
- a16 Study of industrial pollution in the subregion
- a17 Organization of technical meetings
- a18 Development of sectoral planning capabilities
- a19 Project promotion
- a20 Initiation of project implementation
- a21 Organization of specialized trade fairs

Note: a21, a41 and a42 are secondary areas of action incorporated within main actions a2 and a4.

D. Grouping of action areas by sphere of involvement

1. Industrial restructuring of the subregion

11. Industrial mapping of the subregion (a1)
12. Diagnostic survey and analysis of the various subsectors (a1 + a4)
13. Possible areas of cooperation and formulation of a strategy for developing the subregion (a4)
14. Identification of ideal locations for the projects, a list of which will have been drawn up and analysed using the PROPSPIN technique (a4)

2. Support for the private sector and small and medium-sized enterprises in the subregion

21. Assistance in strengthening and developing the private sector within the subregion (a3)
22. Support in the creation of small and medium-sized enterprises and entrepreneurship promotion (a15)

3. Institution building

31. Development of quality control in the industrial sector (a6)
32. Development of industrial maintenance (a7)
33. Harmonization of subregional regulations (a8)
34. Harmonization of standards and metrology (a9)
35. Interconnection of national subcontracting and partnership exchanges (a10)
36. Establishment of the Maghreb industrial information network (a11)
37. Strengthening of the Maghreb Association of Operators in the Motor Vehicle Sector (UMIAC) (a14)
38. Strengthening of subregional study and consultancy capabilities (a12)
39. Development of human resources (a13)
40. Development of sectoral planning capabilities (a18)

4. Project planning and implementation

41. Rehabilitation studies (a2)
42. Project feasibility studies (a42)
43. Continued implementation of projects (a5)
44. Rehabilitation (a2)
45. Initiation of project implementation

5. Miscellaneous studies and organization of meetings

41. Study on industrial pollution (a16)
42. Project promotion (a19)
43. Organization of technical meetings (a17)

CHAPTER III

IMPLEMENTATION PLAN

III.1. METHODOLOGICAL APPROACH

As stated among the aims of the action programme, the implementation of the subregional programme for North Africa should be based on a selective strategy, bearing in mind the limited resources that could be mobilized for its execution.

Efforts will be directed in priority at activities whose results will improve the degree of operational efficiency of the existing investments and enhance the institutional and infrastructural environment in order to make it conducive to new investments.

It has been recommended that the methods developed and tested by UNIDO should be employed at the various levels of the programme's formulation. As regards its implementation, the strategic development management method appears to be most appropriate, particularly for the industrial expansion phase, during which it will be necessary to coordinate several subsectors.

III.2. CONDUCT OF ACTIVITIES

The status of cooperation among the countries of the subregion and the rates of utilization of the available industrial capacities prompt us to place the main focus on activities that will be aimed at strengthening subregional relations, increasing trade and improving the operation and management of the existing plants. The implementation plan will accordingly comprise three phases of execution:

A. Phase 1: preparation

Extending over a period of two to three years, this phase will make it possible to create a climate favourable to subregional cooperation through the provision of support to institutions to enable them to develop equitable, sound and harmonious intercountry relationships. It will also make it possible to carry out the subregional industrial restructuring study on which the industrial expansion and integration of the subregion will be based.

Also during this phase, those projects that were begun during the first IDDA but have not yet been completed will be continued, the rehabilitation activities will be initiated on the basis of the diagnostic surveys, meetings of operators will be held and specialized trade fairs will be organized.

B. Phase 2: consolidation

In this phase, whose duration will also be between two and three years, the rehabilitation efforts that were begun in the preceding phase but should be completed during this phase will be continued.

The analysis and comparison of the industrial sectors of the various countries resulting from the previously conducted study will enable

negotiations to be initiated between the countries of the subregion for the selection of those projects that are universally recognized as necessary to the achievement of subregional integration. It will in some cases be useful to undertake pre-feasibility and comparative advantage studies before decisions are taken.

The project feasibility studies will then be initiated on the basis of the negotiated and finalized list of projects. The task of carrying out these studies will be entrusted to the national consultancy firms, which will have previously been strengthened, together with ad hoc assistance from UNIDO or other organizations in key areas.

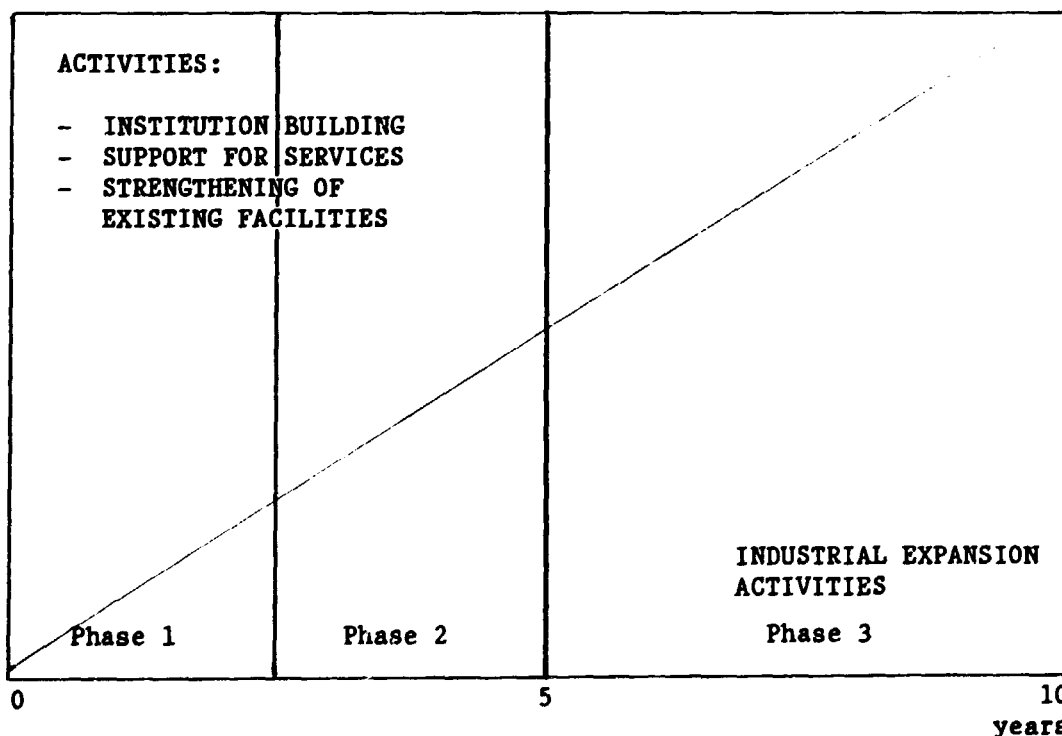
Also during this phase, the institution building and industrial service support activities will be pursued, and technical workshops and specialized trade fairs will continue to be organized and held.

C. Phase 3: expansion

In this phase, the initial subregional projects adopted will be completed, the technical assistance activities, meetings and technical workshops will continue to be organized, trade fairs will be held and project promotional work will be undertaken.

The implementation of the programme will be interspersed with periodic meetings for coordination, monitoring and evaluation of the results at the national and subregional levels, the functioning of which will be described in chapter IV.

The implementation plan as described above is set out in diagrammatic form below, and the execution time-frame is shown in the table that follows.



III.3 IMPLEMENTATION MODALITIES

In contrast with the first IDDA, responsibility for the execution of the subregional programme for North Africa will not rest essentially with Governments; it will additionally involve all parties concerned with the industrialization process and industrial support services, namely:

- The regional organizations: OAU and ECA;
- The subregional organizations: AIDMO, the Arab Maghreb Union and the MULPOC;
- Governmental agencies and the public sector;
- The private sector, through its representatives;
- Training systems in the various countries;
- The national, subregional, regional and international banking systems;
- Foreign investors and the subregional or regional associations to which they belong;
- The United Nations system and its specialized agencies.

This list in itself gives an indication of the efforts to be deployed in regard to coordination. The roles that are to be performed by the main participants in the programme are outlined below.

A. The Governments of the countries of the subregion

Although, as already pointed out, the role of Governments in the implementation of the second IDDA will not be paramount, it will none the less remain an important one. Indeed, even though the Governments are gradually withdrawing from directly productive activities in most of the countries, their responsibilities in the other sectors, in particular services and institutions, continue.

The task of Governments will be to secure the maximum possible advantage from the liberalization of their economies. It will thus be necessary for them to ensure that their actions during this period are oriented towards the following areas:

- Rehabilitation of existing industries, in order to derive the maximum benefit from the new economic trends;
- Development of the infrastructure required for the establishment of industry;
- Adaptation of tax, customs, banking and insurance regulations to the context of liberalization, in order to facilitate trade;

- Assistance and support in the development of the private sector, so that it can take over from the State in the area of industrial investment;
- Autonomy of management of public enterprises;
- Strengthening of the educational system;
- Organization of key functions such as quality control and industrial maintenance;
- Research and development;
- Inter-country cooperation within the subregion.

B. The subregional organizations

The main ones are AIDMO, the Arab Maghreb Union, the MULPOC and the multinational associations of chambers of commerce and industry.

Subregional organizations should be the prime participants in the implementation of the programme, in view of their role in subregional integration and promotional efforts.

The programme should be submitted to them for discussion and approval, and they should also take an active part in the subregional meeting.

These organizations will be required to play an important role not only in carrying out sectoral studies and project feasibility studies, but also in the promotion of joint projects and subregional cooperation generally.

In this connection, they are to organize technical meetings of operators, specialized trade fairs and investment forums, to which potential investors will be invited.

They will be able to assist the countries concerned with the subregional projects in securing the necessary funds from regional or subregional finance institutions such as the African Development Bank, the Islamic Development Bank and the various Arab funds.

C. The international organizations

The main ones that will be involved in the execution of the programme are OAU, UNIDO, ECA and UNDP, each of them representing complementary facets: OAU as the expression of African solidarity and political commitment, ECA representing Africa's multisectoral development, UNIDO as the organization specializing in the promotion of industrial development in the developing countries, and UNDP as the special instrument of the United Nations for the promotion of multisectoral development.

OAU, which was the initiator of the Decade, must be the guarantor of its future success. To that end, the programme's execution will be regularly monitored through regular meetings of CAMI, at which it would be possible to propose adjustments or recommendations.

With regard to ECA and UNIDO, which are both directly concerned with implementation (UNIDO also being responsible for coordination of the Decade), their roles are, in addition to monitoring and regularly updating the subregional programme:

- To assist the countries, organizations and implementing agencies in carrying out the various studies included in the programme;
- To help develop local study, consultancy and training skills;
- To organize the project promotional and funding efforts with the agencies concerned;
- To strengthen the private sector, so that it can take over responsibility for investment and project execution from the Governments.

UNDP, at the level of its regional office for Africa and the Arab States, should include the subregional programme in its programming cycles so that resources can be made available for the programme.

Since the fifth programming cycle (1992-1996) has already begun and it is not possible to obtain any further funds under it, it will be necessary to arrange for funds to be made available under the next cycle in order to finance the programme.

Also, at the meeting held between 22 and 26 November 1993, the countries of the subregion called upon UNIDO to perform a catalytic role in the search for and mobilization of new financial resources.

In this connection, use will be made of all possible sources of funding, in particular the European Development Fund, the various Arab funds, the various development banks, bilateral development aid institutions and local savings banks.

D. The economic operators

The economic operators, both public and private, have an important role to play in the programme's implementation. They should combine their efforts with a view to replacing the State in its role of investor. This role will be decisive in the current privatization operations, in the promotion of investments and in the search for partners for project execution. At the subregional level, their amalgamation into sectoral associations will foster cooperation and integration.

CHAPTER IV

PROMOTION, COORDINATION, MONITORING AND EVALUATION

1. PROMOTION

Action to promote the aims of the second IDDA in general and of the subregional programme for North Africa in particular should enhance the execution of the programme and enable the resources necessary for undertaking the programmed activities to be mobilized.

Most of the promotional efforts are included in the activities that make up the programme, in particular technical workshops, meetings, trade fairs and other informational events.

However, action will need to be directed at a wider audience in the individual countries of the subregion, namely the public and private economic operators; they could be reached by means of the wide distribution of explanatory leaflets, which are currently being prepared by UNIDO, and by the organization of discussion meetings. At the international level, promotional efforts will be directed not only at the embassies of developed countries that are able to provide assistance, but also at the regional and subregional organizations as well as finance and banking institutions. These bodies will be regularly invited to attend meetings on subregional cooperation and project promotion.

At the ninth meeting of CAMI it was decided to fix 20 November as the date for the annual celebration of Africa Industrialization Day. This would provide an opportunity for organizing a technical meeting on the theme for the year, to which would be invited all organizations and operators that are able to contribute towards accelerating the attainment of the goals of the Decade.

The financing for promotional activities will come from several sources:

- The national budgets allocated to the second IDDA;
- The portion of UNIDO funds allocated to the IDDA;
- Aid from donor countries and organizations;
- UNDP funding.

2. COORDINATION AND MONITORING

The weakness of these functions in the implementation of the first IDDA was a major contributory factor in its poor performance. Therefore, in order to improve the chances of success of the second IDDA, coordination and monitoring of activities will need to be afforded all due attention.

In the programme's execution, these functions will be performed using the strategic management approach concept developed by UNIDO.

For that purpose, it will be necessary to set up - at all the levels involved - the appropriate mechanisms and structures to monitor the implementation of the programme, since the results achieved will depend on their efficiency.

A. At the subregional level

To ensure that the Decade receives the full attention required, top-level coordination is desirable. This could be achieved through the establishment of a ministerial committee. Since such a body already exists for the Maghreb States, it would be a question of arranging specialized meetings of this committee for the monitoring of the Decade, to which the Egyptian and Sudanese officials would be invited, the committee thus becoming a subregional committee. This could be done in coordination with AIDMO, which should also provide the committee's secretariat.

The role of this committee would initially be to maintain contacts among the various countries of the subregion in order to furnish progress reports on the implementation of the planned activities, both under the national programmes and under the subregional programme. It should examine the results of the efforts pursued, in particular the studies and assistance action, so that decisions can be taken for the purpose of making any necessary alterations to the direction of those efforts. The committee will also be required to consider and finalize the list of projects proposed for subregional cooperation.

This committee, in view of its standing, will additionally be required to monitor the application of any new regulations introduced to govern intercountry relations as a result of the harmonization work carried out.

All the subregional agencies involved in executing the subregional programme will be invited to attend the committee's meetings, in particular the General Secretariat of the Arab Maghreb Union and the subregional associations or federations of entrepreneurs, industrialists and chambers of commerce and industry.

The progress reports drawn up at these meetings will be sent to UNIDO, as IDDA coordinator, and also to ECA.

The meetings could take place at six-monthly intervals. A detailed report would also be prepared every two years for the CAMI meetings.

B. At the national level

The monitoring and coordination of the subregional programme will be undertaken by the agencies set up to coordinate the national programmes.

The strategic management method suggested for the performance of these functions involves the establishment of strategic management committees for the different subsectors, i.e.:

- Agro-food;
- Iron and steel/metallurgy/mechanical engineering/electrical/electronic;

- Chemicals and pharmaceuticals;
- Leading edge industries.

Committees will also be organized to monitor:

- The revitalization of the public sector;
- The rehabilitation of ailing enterprises;
- Industrial maintenance and spare parts manufacture;
- Quality;
- Infrastructures;
- Human resources.

These committees will be made up of representatives from different Ministries, public and private enterprises, chambers of commerce and industry, employers' associations and various associations having links with the different sectors and finance institutions.

Their role is to carry out preparatory work for the IDDA national coordinating committee, which will report to the subregional committee. Their main activities would be:

- To participate in carrying out the diagnostic surveys on the different subsectors, the industrial mapping exercise and the industrial restructuring study;
- To act as a focal point for the different constituents of the industrial subsystems (at which all interested parties would be represented);
- To draft decisions for submission to the national coordinating committee, thereby forming the drive mechanism between the industrial operators and the decision-making centres;
- To attend and lead the technical meetings of the subsectors for which they are responsible.

The coordinating and secretariat functions for each committee will be discharged by one member appointed by the Minister of Industry, who will act as the subsector's rapporteur to the national committee. The strategic management committees could fix the frequency of their meetings at one-month intervals; the national committee could meet every three months, and upon request if an emergency so required.

To facilitate coordination at the subregional level and to simplify the work of the national committees, it is recommended that a common list of key points and indicators be adopted for use in evaluating the results of the programme's implementation.

C. At the international level

As stated elsewhere, responsibility for IDDA coordination and monitoring has been entrusted to UNIDO. In this capacity, UNIDO receives the reports from the different national and subregional committees, on the basis of which it will draw up its periodic reports to the different bodies, in particular UNDP, the Industrial Development Board and CAMI. UNIDO's coordinating function will also be performed through various promotional, evaluation and programme revision meetings to be organized by UNIDO at the subregional level.

3. EVALUATION

Evaluation is an activity that should be undertaken at all levels of execution of the subregional programme.

However, for this operation to be effective and in order to simplify the task of those responsible, it will be necessary to set up a reporting system that will provide information for the evaluation reports. These reports should be standardized and contain the same monitored parameters and indicators, so as to facilitate the work of comparison and consolidation at the national and subregional levels. To this end, UNIDO is to propose to the national and subregional committees a standard plan for the drafting of evaluation and consolidation reports.

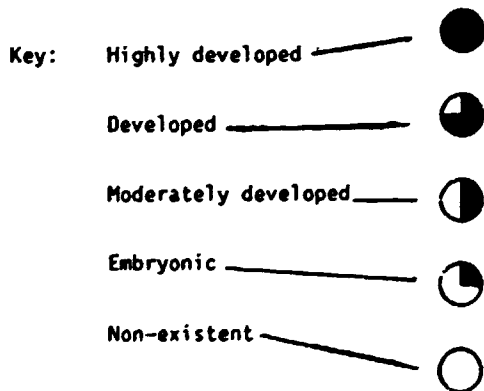
Regular monitoring of the parameters will serve to gauge the progress achieved at the subsectoral, country and subregional levels. It will also enable any necessary corrective measures to be taken during the programme's execution.

The various meetings and the reports and documents to be produced are summarized in the execution time-frame appearing in the preceding chapter.

Annex 1

Status of strategic and leading edge industries in North Africa

<u>Subsectors</u>	<u>Algeria</u>	<u>Egypt</u>	<u>Libyan Arab Jamahiriya</u>	<u>Morocco</u>	<u>Mauritania</u>	<u>Sudan</u>	<u>Tunisia</u>
1. <u>Core and strategic industries</u>							
· Iron and steel	●	●	●	◐	◐	◐	◐
· Mechanical engineering and metal construction	●	●	◐	◐	◐	◐	◐
· Electrical and electronic products	◐	◐	◐	◐	○	◐	◐
· Informatics	◐	◐	○	◐	○	○	◐
· Chemicals	◐	◐	◐	◐	○	◐	◐
<u>of which</u>							
· Pharmaceuticals	◐	◐	◐	◐	○	○	◐
· Agro-industries	◐	◐	◐	◐	◐	◐	◐
2. <u>Leading edge industries</u>							
· New energies	◐	○	○	○	○	○	○
· Biotechnology and genetic engineering	◐	◐	○	◐	○	○	◐



Annex 2

Subregional programme for North Africa for the second IDDA

No.	Project profile	Countries	Date	Status	Sector
PROJECTS IDENTIFIED IN THE FIRST INTEGRATED PROGRAMME (1984)					
1.	No. 1 Establishment of sugar mills	SUD	P84	B	AGRO
2.	No. 2 Establishment of a paper factory	SUD	P84	C	AGRO
3.	No. 3 Establishment of a spinning mill	TUN/LYB	P84	C	TEXT
4.	No. 4 Establishment of a kenaf sack production plant	SUD	P84	NO	TEXT
5.	No. 5 Establishment of the Port Sudan cement factory	SUD	P84	C	BUIL
6.	No. 6 Establishment of a plant to produce white cement	TUN/ALG	P84	A	BUIL
7.	No. 7 Manufacture of marble tiles	SUD/EGY	P84	C	BUIL
8.	No. 8 Establishment of a sheet-glass production unit	SUD/EGY	P84	NO	CHEM
9.	No. 9 Establishment of a tractor assembly plant	SUD/EGY	P84	C	ENG
10.	No. 10 Establishment of a low-category diesel engine manufacturing plant	TUN/ALG	P84	A	ENG
11.	No. 11 Manufacture of lathes and milling machines	MOR	P84	A	ENG
12.	No. 12 Manufacture of woodworking machinery	TUN/MOR	P84	A	ENG
13.	No. 13 Manufacture of refrigerator compressors	AIDMO	P84	C	ENG
PROJECTS IDENTIFIED IN THE REVISED INTEGRATED PROGRAMME (1988)					
14.	No. 1 Establishment of textile industries	LYB/MOR	P88	A	TEXT
15.	No. 2 Establishment of food industries	LYB/MOR	P88	C	AGRO
16.	No. 3 Establishment of leather industries	LYB/MOR	P88	A	AGRO
17.	No. 4 Production of vegetable oil	SUD/TUN/ALG/MOR/AIDMO	P88	B	AGRO
18.	No. 5 Production of fine cotton yarn	SUD/AIDMO/TUN/MOR/ALG/ LYB		B	TEXT
19.	No. 5 Nafta el Oued brickworks plant	ALG/TUN	P88	C	BUIL
20.	No. 7 Establishment of pharmaceutical industries	LYB/MOR	P88	C	CHEM
21.	No. 8 Production of urea nitrate	LYB/TUN	P88	C	CHEM
22.	No. 9 Production of phosphate fertilizers	SUD/TUN	P88	C	CHEM
23.	No. 10 Production of nitro-phosphates	ALG/TUN	P88	C	CHEM
24.	No. 11 Production of petrochemical products such as acetic acid, bitumen, base lubricants, transformer oils and vinyl acetates	ALG/TUN	P88	C	CHEM
25.	No. 12 Production of chemical products such as synthetic glue, titanium dioxide, organic dyes and pigments, mineral dyes and pigments, sodium sulphate and barytine derivatives	ALG/TUN	P88	C	CHEM

Annex 2 (continued)

No.	Project profile	Countries	Date	Status	Sector
26.	No. 13 Manufacture of domestic washing machines	ALG/LYB	P88	C	ENG
27.	No. 14 Production of passenger cars and commercial vehicles	ALG/LYB	P88	C	ENG
28.	No. 15 Production of gearboxes for automobiles	ALG/LYB	P88	C	ENG
29.	No. 16 Production of high-grade diesel engines for tractors and trucks	ALG/LYB	P88	B	ENG
30.	No. 17 Production of light vehicles for desert use	ALG/LYB	P88	B	ENG
31.	No. 18 Aluminium complex (electrolytic process)	ALG/LYB	P88	B	ENG
32.	No. 19 Production of lorries				
33.	No. 20 Production of high-voltage electrical transformers	ALG/TUN	P88	B	ENG
34.	No. 21 Construction of metal structures	ALG/TUN	P88	A	ENG
35.	No. 22 Manufacture of machinery for sheet metal work	ALG/TUN	P88	B	ENG
36.	No. 23 Manufacture of machinery for processing plastics	ALG/TUN	P88	B	ENG
37.	No. 24 Production of textile machinery	ALG/TUN	P88	B	ENG
38.	No. 25 Manufacture of gears and reducers	MOR/TUN	P88	A	ENG
39.	No. 26 Industrial forge project	MOR/TUN	P88	B	ENG
40.	No. 27 Production of thermostats, evaporator plates, heat exchangers, cooking stoves, micro-motors, control panels, TVs, cathode-ray tubes and printed circuits	ALG/TUN	P88	C	ENG
41.	No. 28 Production of pistons, gudgeon pins, casings, sleeve bearings and transmission chains	ALG/TUN	P88	C	ENG
42.	No. 29 A joint steel complex (pelletization)	ALG/LYB/MAU	P88	B	MET
NEW PROJECTS INCLUDED IN THE NEW INTEGRATED PROGRAMME (1990)					
43.	Rehabilitation of a cement factory	MOR/ALG	P90	A	BUIL
44.	Expansion of fish-processing factories	MAU/ALG	P90	A	AGRO
45.	Joint project for the production of graphite electrodes in Egypt	EGY/LYB/ALG/MOR/AIOMO	P90	B	ENG
46.	Production of electrical control panels	ALG/LYB	P90	B	ENG
47.	Establishment of a sheet-glass production unit	ALG/Maghreb	P90	B	CHEM
48.	Establishment of a meat-processing centre	MAU/Maghreb	P90	C	AGRO

TYPE OF PROJECTS:

A: Projects in operation

C: Projects at the idea stage

B: Projects in the course of implementation

NO: Projects withdrawn

Annex 2 (continued)

Support projects

No.	Project profile	Country	Date	Status
A. SUPPORT PROJECTS IDENTIFIED IN THE FIRST INTEGRATED PROGRAMME (1984)				
1.	S1. Assistance in the development of an industrial training programme	Subregion	P88	A
2.	S2. Improvement of industrial consultancy and management capabilities	Subregion	P84	A
3.	S3. Development of local entrepreneurship (directory of small-scale industrial project profiles)	Subregion	P84	A
4.	S4. Promotion of the food-processing industry in North Africa	Subregion	P84	A
5.	S5. Upgrading of the Tunisian National Centre for Leather and Footwear into a subregional centre	Subregion	P84	A
6.	S6. African centre for genetic engineering and biotechnology	Subregion	P84	C
B. SUPPORT PROJECTS IDENTIFIED IN THE REVISED INTEGRATED PROGRAMME (1988)				
7.	1. Joint Tunisian-Libyan company for industrial maintenance and assembly	TUN/LYB	P88	C
8.	2. Study on the promotion of capital goods manufacture in North Africa	Subregion	P88	C
9.	3. Technical studies on the promotion of subregional cooperation in the fish-processing industry	Subregion	P88	C
10.	4. Technical studies on the promotion of a ship repair and maintenance industry	Subregion	P88	C
11.	5. Technical studies related to industrial pollution	Subregion	P88	B
12.	6. Subregional consultations on specific sectors	Subregion	P88	C
C. NEW SUPPORT PROJECTS INCLUDED IN THE INTEGRATED PROGRAMME (1990)				
13.	1. Assistance in the development of Maghreb industrial consulting and engineering capabilities	Maghreb	P90	B
14.	2. Studies on cooperation of Maghreb countries with other regional and subregional organizations	Maghreb	P90	B
15.	3. Harmonization of regulations and incentives for the promotion of industrial investment	Maghreb	P90	C
16.	4. Establishment of a Maghreb industrial information network	Maghreb/EGY/SUD	P90	B
17.	5. Assistance in the development of the sectoral planning capabilities of the Arab Maghreb Union (UMA)	Maghreb	P90	C