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ASSISTANCE TO THE MINISTRY OF INDUSTRY

DP/KEN/80/001

KENYA

Report of the Evaluation Mission*

United Nations Industrial Development Organization

Vienna

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INTRODUCTION

Since achievement of national independence, Kenya has pursued the accomplishment of the following social economic objectives in the fields of industrial development:

- a) Creation and maintenance of a favourable investment climate capable of attracting direct foreign investment;
- b) Kenyanization of ownership and industrial management;
- c) Employment generation by accelerated industrialization
- d) Regional dispersion of industries by promotion of new industrial locations.

Development planning has been pursued since 1964, and integrated industrial planning has increasingly gained importance.

Since the early 1970s, UNIDO's Industrial Planning Section has been supporting Kenya with three consecutive multi-disciplinary UNDP-funded projects in the fields of industrial surveys, studies, strategies, policies, promotional programmes and industrial development plans. Additionally, the project teams have prepared about 140 profiles, reports and pre-feasibility studies for various industrial activities and sub-sectors.

The project numbers and titles are:

- DP/KEN/70/521 - Industrial Surveys and Studies;
- DP/KEN/74/007 - Assistance to Industrial Survey and Promotion Centre; Strategy and Policies for Industrialization;
- DP/KEN80/001 - Assistance to the Ministry of Industry.

The main parameters of the three projects are as follows:

Project Nos. DP/KEN/	70/521	74/007	80/001	TOTAL
Duration of Projects:	1970-1977	1978-1981	1981-1985	1970-1985
	US\$ Million	US\$ Million	US\$ Million	US\$ Million
Total Allotment \$1,000	1,365	1,669	2,894	5,928
Input Breakdown:				
- Equipment \$1,000	27	111	71	209
- Training \$1,000	-	201	720	921
- Sub-contracts \$1,000	-	33	46	79
- Experts/Consultants \$1,000	1,214	1,156	2,030	4,400
Work/Months	359	232	292	883

The first project, DP/KEN/70/521, provided assistance in setting up an Industrial Survey and Promotion Centre (ISPC) to support the Government in implementing the industrial development responsibilities, particularly industrial economic research and development.

The second project, DP/KEN/74/007, was the direct follow-up of the above-mentioned project. The increasingly specialized assistance to ISPC was continued. The project addressed more comprehensive problems such as support in the preparation of the Development Plan 1979-1983, and the elaboration of policies for a purposeful plan implementation. Micro-economic activities were also included, i.e., pre-feasibility studies for specific projects, studies to identify and evaluate the production and export potential of specific sub-sectors and industries. On the side of institution-building, the most important result was the formation of the Ministry of Industry, which was later merged into the Ministry of Commerce and Industries. An extended training programme was initiated to meet the growing demand for qualified cadres for further industrial development.

The third project, DP/KEN/80.001, was started in 1981 and is scheduled to terminate by end-1985. The aim is to continue many activities of the former projects at a higher level. The elaboration of industrial strategies is one focal point of the project. The Kenyan Government preparation of the Chapter on the Manufacturing Sector in the Fifth National Development Plan (1984-1988) was accomplished in close co-operation with the project staff. Studies on industrial diversification, small-scale industries development and other problems of industrial restructuring were prepared. The training programme has been further extended and specialized. Since 1982, about 47 fellowships for training abroad have been awarded. Many proposals for the increased utilization of local resources and the application of appropriate technologies (charcoal for metallurgical purposes, extension of fruit-processing, edible oil programme) have been prepared and are under consideration.

In summary, UNDP/UNIDO has co-operated with the Kenyan Government to assist in the strengthening of the management of industrial economy both from the financial and economic planning aspect, in areas of policy formulation, technological development and application, project identification and evaluation.

Moreover, it was hypothesized that in advising and training Kenyan industrial development officers, an increasingly sophisticated indigenous capacity will be developed to identify, plan and implement Kenya's industrial development goals.

In accordance with UNDP/UNIDO requirements and to serve as a basis for making decisions regarding further technical assistance requirements, if any, and to assess progress made in developing and strengthening Ministry officials' capabilities to plan and implement industrialization decisions, including co-ordination and presentation of industrial projects, the conduct of an in-depth tripartite evaluation exercise was agreed upon to:

- a) assess the project achievements to date; and
- b) identify pertinent gaps, problems, including external factors, affecting the project, and opportunities for remedial actions.

The terms of reference for the evaluation mission are attached as Annex I.

The members of the evaluation team, as designated by their respective organizations were:

Dr. Paavo Hariu - Senior Consultant, Bureau for Programme
Policy and Evaluation, UNDP, New York
(Team Leader)

Mr. Silas M. Ita - Executive Director
Kenya Association of Manufacturers
Nairobi

Mr. Martin P. Kunguru - Chief of Operations
Industrial Development Bank, Nairobi

Mr. Hans H. Heep - Industrial Development Officer,
Evaluation Unit, UNIDO,
Vienna

The mission took place from 1 - 19 June 1985. The evaluation team was substantially supported by representatives from the Department of Industry and the UNDP field office.

Extensive interviews were conducted with ministerial staff, finance institutions, industrial parastatals and other industry related institutions. (see Annex II for a complete list of persons met.)

A comprehensive field report was prepared and circulated at the end of the mission. The findings, conclusions and recommendations were orally discussed before and during a tripartite review which took place on Friday 14 June. Points of clarification were discussed after the tripartite review on 14 June, and again on 18 June to incorporate issues raised by the Permanent Secretary.

A major recommendation is to systematically consolidate and follow-up on the implementation of the outputs and sub-outputs produced by the project.

Recommended new directions include the need to strengthen the Department's capabilities to develop the small-scale industry sector, industrial extension services and industrial capacity utilization.

PART I EVALUATION OF THE PROJECT

11. PROJECT FORMULATION

11.1. OBJECTIVES OF THE PROJECT

Original Development Objectives (16.10.1980)

The development objective given in the original project document was as follows:

The primary development objective is to increase industrial production and its contribution to the GDP with primary emphasis focusing on shifting from import substitution to export orientation while at the same time maintaining the domestic industries growth at the optimum level.

To strengthen the new functional role of the Ministry of Industry in devising strategy and policy decisions and in planning, programming, co-ordinating and executing industrial development projects, in such a way, as to contribute to the achievement of the above primary objective.

To ensure a total participation of Kenya nationals in this effort.

Immediate Objectives (16.10.1980)

The original immediate objectives were:

1. To formulate guidelines, forms, strategies and prospects of long-term industrial planning and policy according to general Government objectives, and local conditions.
2. To develop measures and design instruments (investment incentives, regulations etc.) for guiding the activities of the public and private enterprises in the light of the National Plan Objectives and to assist in special programmes.

3. To assist in development and improving the capability of the Ministry of Industry in outlining and co-ordinating industrial activities and policies including the co-ordination of specialized institutes under the Ministry of Industry (KIRDI, KITI, KIE etc.)
4. To carry out pre-investment studies in order to formulate industrial development programmes for decision making on industrial investments, technology development and application.
5. To develop national manpower through well planned and co-ordinated training programmes at all levels in order to reach a position of self-reliance in effective industrial planning, in studies and evaluation, in technology development and its application etc. The project's training programmes will be closely related to the overall career development programme of the Ministry of Industry.
6. To develop a comprehensive information system and data bank for industrial planning, programming, project evaluation and other decision making purposes.
7. To identify those industrial areas where the potential for export to regional, sub-regional and interregional markets is existent and to advise as to how that potential should be exploited to the maximum.
8. Review and improve if necessary the techniques for prospecting long term manpower and capital requirements in the industrial sector.

The revised objectives and outputs were formally revised on 12th May 1983. During a Tripartite review a decision was taken to review and revise the Project Document to provide for a more detailed specification of the Project Objectives and related Outputs.

Revised Development Objectives (12.5.83)

The development objectives given in the revised project document is as follows:

The primary development objective is to increase industrial production and its contribution to the GDP with primary emphasis focussing on shifting from import substitution to export orientation while at the same time maintaining the domestic industrial growth at the optimum level.

The secondary objective to which this project should contribute is to achieve the consolidation of existing industry by effecting improvement in the domestic value added including the use of local resources, capacity, utilization, productivity and management efficiency and export performance.

To ensure a total participation of Kenya nationals in this effort.

To strengthen the functional role of the Ministry of Industry in devising strategy and policy and in planning, programming, co-ordinating and executing industrial development projects in such a way as to contribute to the achievement of the above primary objective.

Immediate Objectives: (12.5.83)

The immediate objective given in the revised project document are as follows:

1. Guidelines, manuals and criteria required to facilitate the tasks of industrial planning and programming, project development and evaluation and monitoring of project's execution.
2. The design of measures and projects for incorporation in the Fifth Development Plan
3. An improved capability of the Ministry of Industry in outlining and co-ordinating industrial activities and policies, including the co-ordination of specialised institutes in the industrial sector. (KITI, KIE, etc).
4. Pre-investment studies to formulate industrial development programmes for decision-making on industrial investments and choice of technology for development and application.
5. Promotion of Kenyanisation leading to self-reliance in effective industrial planning, in studies and evaluation, in technology development and its application etc. The project's training programme will be closely related to the overall career development programme of the Ministry of Industry.
6. Establishment of a Data Bank for industrial planning programming, project evaluation and other decision-making purposes as well as a system for dissemination of information to industry

7. Identification of industrial areas where the potential for export to regional, subregional and international markets is existent and advice as to how that potential should be exploited to the maximum.
8. Identification of measures required to accelerate the pace of industrial growth.

A comparison of the revised project document vis-a-vis the original project document will be discussed in more detail in Part I Chapter 13, since the project has been following by both during its implementation phase.

112. MACRO AND SOCIO ECONOMIC BACKGROUND

GDP GROWTH

Kenya's GDP growth during 1972-1981 has averaged 4.4 percent per annum. This is 1.8 percent lower than the 1964-1972 period. Despite of this slowly downgoing trend the growth of GDP in 1980-1984 is relatively good. In the framework of global growth trends GDP growth in Kenya in 1981 and 1983 was double the average growth (during the same period) achieved by other developing countries. The main factor for the low growth rate of GDP during 1984 was the negative growth (-3.7%) rate experienced in the agricultural sector.

Table 112.1 - GDP Growth: A Comparative Perspective

	1980	1981	1982	1983	1984
Kenya	3.0	5.5	1.8	3.5	0.9
Industrialized countries	1.3	1.3	0.5	2.3	-
Developed countries	3.0	2.7	1.8	1.6	-

The problems of Kenya's economy have increased. The international terms of trade have been deteriorated because of world oil price increases particularly during 1979-1980 and the overall decrease of commodity prices. There was a prolonged

recession in industrialized countries as shown in the above table and Kenya has been doubly hit by severe drought problems. Unfavourable export commodity prices have also affected Kenya's economy.

Population and wage employment

Kenya with the area of 509,249 Sq. Km. had in 1980 a population of 15.9 million people. The growth rate of Kenya's population has been estimated between 3.4 percent and 4.0 percent per annum. This is one among highest population growth rates in the world. Per capita income in 1982-1984 has been negatively affected because the annual growth rate of population has been higher than the GDP growth rate.

According to 1980 statistics the total wage employment is still low by one million employees. The share of private sector was 53.4% leaving 46.6% for the public sector. Agriculture and forestry represents 23.1% of wage employment followed by 14.1% in the manufacturing sector. It had been estimated that labour force will double over the next 20 years. The major challenge Government faces is to create employment opportunities for its rapidly growing labour force.

Manufacturing Sector

At the present state of Kenya's industrialization the manufacturing sector is quite small accounting for 13.4% of GDP in 1984 but still is the second largest sector following agriculture. The gross product of food based industries represents one third of the total. Collectively a similar share is taken by following sectors, beverages and tobacco, textiles, petroleum products and the metal sub-sectors. Kenya's industrial structure is also marked by a preponderance of large scale, capital intensive units.

The growth rate of the manufacturing sector was 10.77% during the period 1972-1978, which was double compared with the average growth of GDP. Since then the growth of the manufacturing sector has been deteriorating stepwise (Table 112.2) and was only 2.3% in 1982. However during 1983-1984 the average growth was 4.4%. The growth of the manufacturing sector has been backed by relatively large foreign joint venture investments with the Government and has been encouraged by protection measures against foreign competition. This has resulted in an import substitution oriented manufacturing sector dependent on imported raw materials.

Table 112.2 - Real Growth of GDP by main sectors 1978-82

Sector	1972-78	1979	1980	1981	1982	1983	1984
Agriculture, Forestry, Fishing	2.6	0.7	-1.1	6.2	4.6	4.2	-3.7
Manufacturing	10.7	7.1	5.7	5.0	2.3	4.5	4.3
Trade, restaurants and hotels	3.3	6.1	3.5	0.0	-7.2	2.8	4.0
Ownership of dwelling	5.1	5.8	4.7	7.7	3.6	-3.9	0.3
Transport	3.5	7.2	7.1	1.5	6.7	4.3	0.5
Total GDP at factor cost	5.0	4.2	3.3	5.5	1.8	3.5	0.9

A quite slow increase of domestic markets, shortages of foreign exchange and restrictions of imports caused by the negative current account balance are some other reasons for the decreasing growth rates in manufacturing sector. Also the lack of entrepreneurial, management and technical resources have created a bottleneck for growth. The high cost of labour, and locally made inputs render many Kenyan products to be uncompetitive in the world markets. To address these and other structural problems the World Bank has been assisting Kenya with a structural adjustment programme.

Government's Involvement in Industrial Development

Kenya has a mixed economy. The public sector consists of central government, local government, parastatals, statutory bodies, and companies in which the government has made budgetary investments. In 1982 there was more than two hundred parastatals operating in Kenya. Of these 81 were fully owned by Government, 45 were majority owned and the rest had minority government ownership. To supplement inadequate local private investment funds and a shortage of entrepreneurs joint ventures with foreign companies have been promoted in Kenya.

In the manufacturing sector the Government has channeled its investment through the Industrial and Commercial Development Corporation - (ICDC) - primarily in textile firms, paper and pulp mill, consumer commodity processing, fertilizer blending unit and in local assembly of motor vehicles and tractors. A number of parastatals are facing financial difficulties and create, a burden to the Government budget.

To give a new impetus to the industrial sector His Excellency the President of Kenya announced in September 1982 a new economic policy to accelerate the pace of the industrial development in Kenya. In essence the policy is including three main strategies:

- a) to freeze the investment of public funds in the manufacturing and divest as needed
- b) to make the district a focal point for industrial planning and development and
- c) to revise the export compensation scheme towards greater effectiveness.

This change in policy has been reflected in the Development Plan for 1984-1988. It has been stated that the private sector is the most important development force in the productive system. The Government intends to limit its direct participation in new commercial ventures, and encourage wholly private initiatives instead. Moreover, the Government is planning to divest itself of selected commercial activities which can be both managed privately and will directly create new opportunities for private investors. According to the Development Plan, the Government's role will be to provide appropriate incentives, information on opportunities and suitable regulation. The project aims in strengthening Government's ability to carry out its industrial development role.

113. INSTITUTIONAL FRAMEWORK

Macro/Micro Decision Making Machinery, an Overall View

Based on His Excellency the President's declaration in 1982 the macro planning mechanism has been decentralized. Districts will play an important role especially in the rural development planning. The ministries continue to be responsible for preparing and directing national policy for their respective sectors of development activity. These policies once approved are reflected in the National Development Plan and in special policy discussion papers. According to the grand strategy stated in the Development Plan the Government's role will be to provide appropriate incentives, information on opportunities and, to create a conducive business climate through suitable regulation against unfair business practices.

At the district level the District Development Committee is responsible for the planning of district specific rural development and for the coordination of plan implementation amongst of relevant bodies, particularly the ministries.

Preparation of the Development Plan and the annual budget is a coordinated effort. The Department of Industries is participating in preparation of both of them. The main steps included in the preparation of the Development plan are the following:

- a) General co-ordination through the Ministry of Finance and Planning
- b) Preparation of the proposal by
- c) Teamwork between the Ministry of Finance and Planning.
- d) Proposal goes through the Office of the President
- e) Discussion in the Cabinet of the Ministers
- f) Feedback and revision
- g) Approval by the Cabinet of the Ministers
- h) Discussion in Parliament
- i) Implementation

It has to be borne in mind that the Development Plan itself is a directive umbrella of policies and strategies. Implementation of Development Plan happens by creating desired opportunities for micro decision making through various incentives and disincentives such as tariffs, laws, rules, special services etc. and in fiscal terms through the budget. The latter is the last link influencing micro level decisions. Adjustments in the Plan in response to a changing environment are made through periodic Sessional Papers.

The main actors in micro level decision making in the Manufacturing Sector are:

- a) Parastatals
- b) Private manufacturing companies, their associations and potential entrepreneurs
- c) Development and commercial Banks
- d) Foreign investors and
- e) Industrial service institutions

Achievement of industrial macro objectives requires increased investment in new ventures and an expansion of old ones (See figure 113.1 page 10)

Department of Industries

The Ministry of Commerce and Industry, headed by a cabinet level Minister has three departments.

- a) Department of Internal Trade
- b) Department of External Trade, and
- c) Department of Industries

Department of Industries has at the moment four divisions(see figure 113.2)

- (1) Industrial Planning Division including four sections:

Planning and Programming
Industrial Extension Services
Small Scale Industries, and
Area Studies

- (2) Industrial Promotion Division with five sections:

Agro Industries
Chemical and Allied Industries
Metal and Engineering Industries
Industrial Co-operation, and
Industrial Information and Documentation

- (3) Industrial Implementation Division with three sections:

Project Appraisal
Project Implementation
Project Monitoring and Follow-up

- (4) Industrial Administration Division with three sections:

Administration
Industrial Protection
Industrial Legislation

The titles of the sections roughly summarize the functions of the divisions.

It has to be noted in this connection that industrial planning and implementation on the macro level in Kenya are partly diffused. The Ministry of Agriculture and Livestock is also involved in agricultural raw material processing. The Ministry of Natural Resources is involved in industries based on minerals, forestry products and fisheries output. This makes it particularly important to establish effective coordination mechanisms.

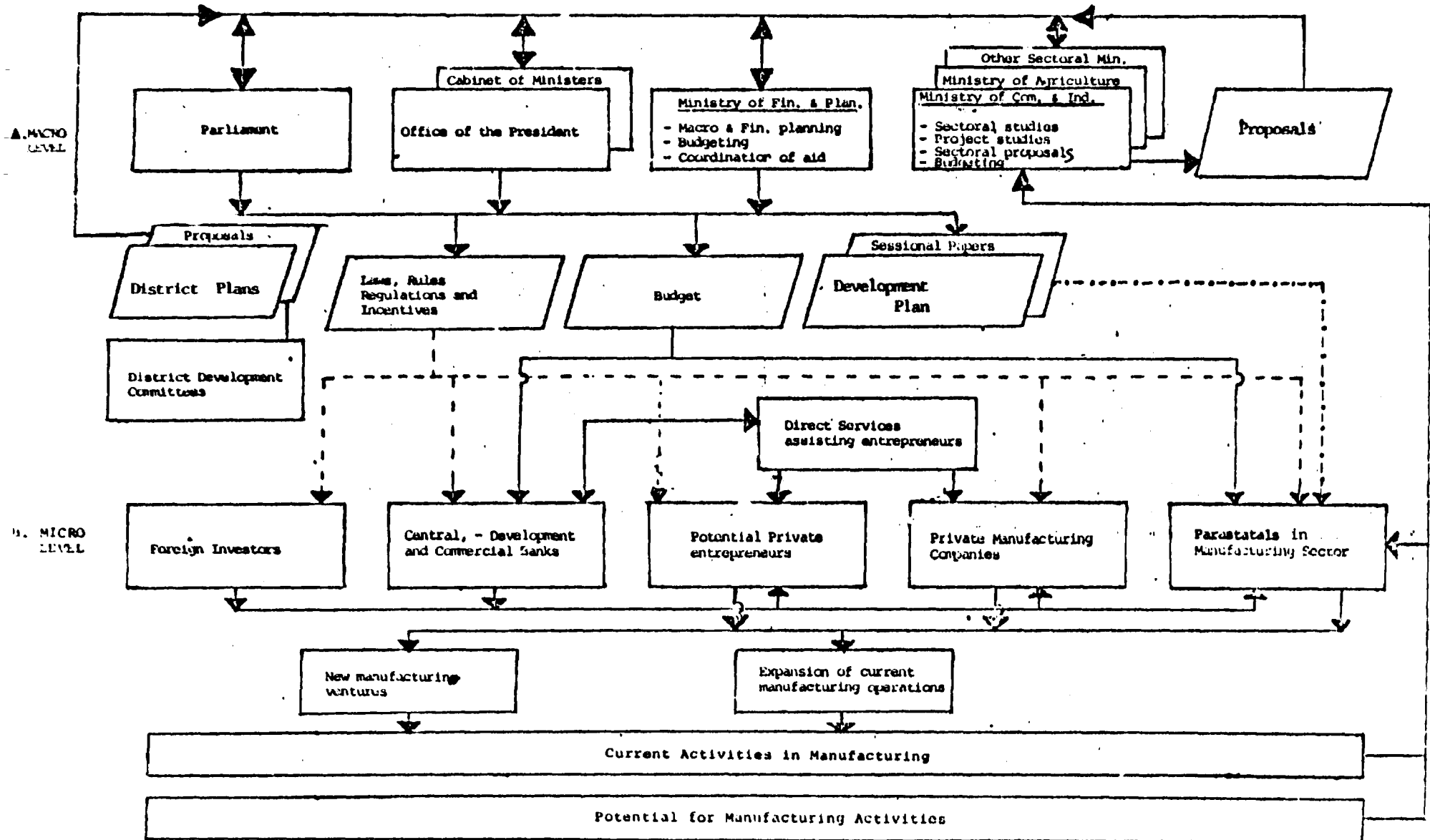
New Developments

As stated in the Development Plan an Industrial Extension Service was established to assist Kenyans in the selection formulation and implementation of industrial projects. This is at the moment a section of the Industrial

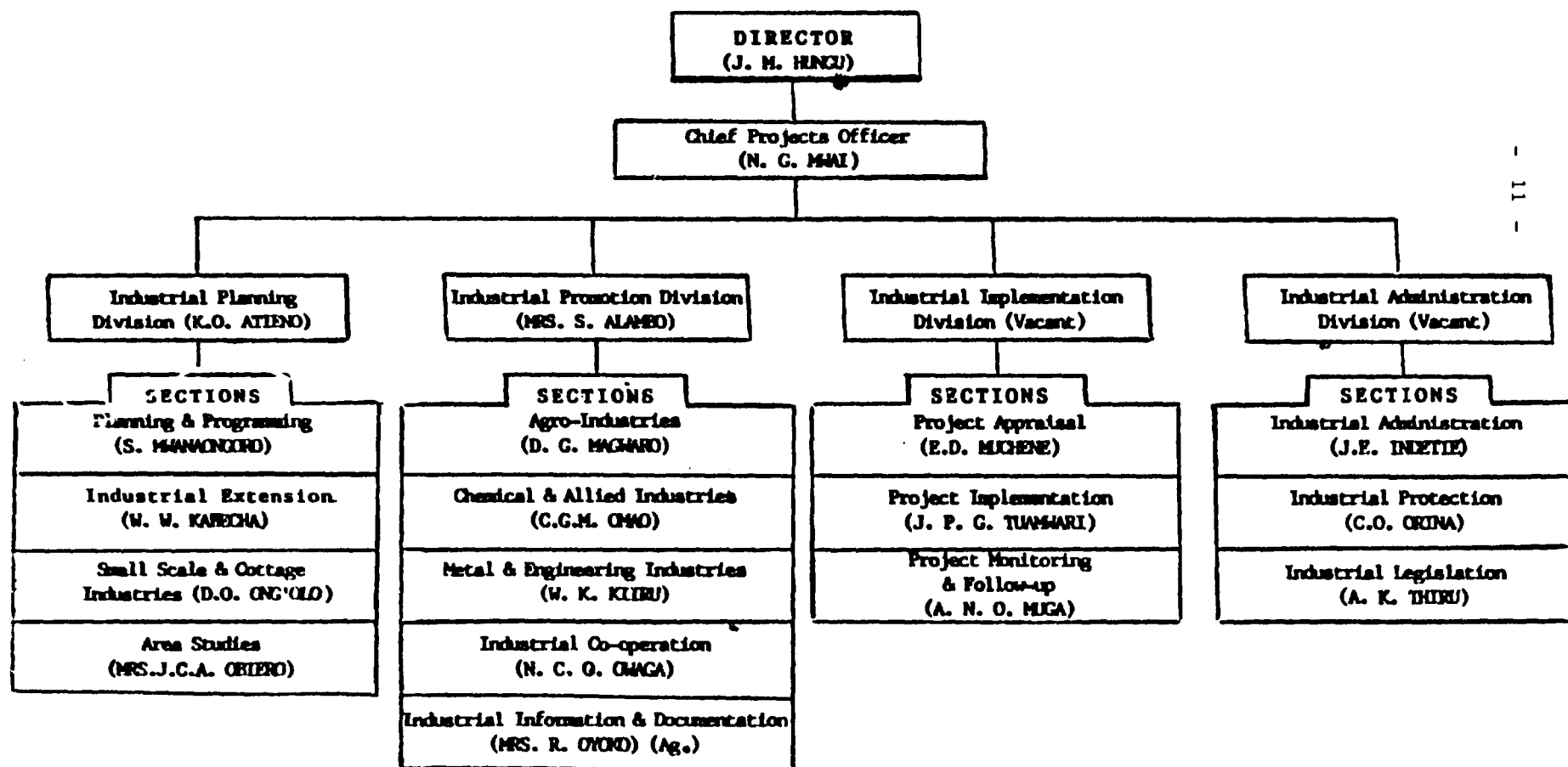
FIGURE 113.1

PLANNING AND IMPLEMENTATION MECHANISM

- New ventures/expansion in manufacturing -



MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF INDUSTRIES



Planning Division. It was also stated in the Development Plan that a full fledged Small Industries Division will be established in the Ministry of Commerce and Industry to monitor the implementation of small industries development programme and to provide assistance to the Industrial Extension Service. Small industries are at the moment handled by the Planning Division.

The sections of Industrial Promotion Division are organized on sub-sectoral basis. Their functions are:

- a) Project identification
- b) Preparation of project profiles, pre and feasibility studies
- c) Project appraisal
- d) Industrial consultancy
- e) Liaison with research organizations to commercialize findings and sectoral studies.

The project is de facto located in Industrial Promotion Division. However it has been assisting in one way or another all divisions. This issue will be discussed later. (Chapter 212 C., page 30)

Parastatals linked with Ministry of Commerce and Industry

The Ministry of Commerce and Industry has an important directive responsibility for the main parastatal organizations dealing with industrial development.

a) Industrial and Commercial Development Corporation (ICDC)

ICDC is a statutory corporation acting as a holding company of 60 companies (19875). Each subsidiary and associated company has its own Board of Directors. The corporation is represented on the board of each company by the executive director. ICDC itself has been directed by a Board of Directors each of whom is appointed by the Ministry of Commerce and Industry. The board is inter alia responsible for the implementation of all IDC related policy decisions within the framework of the Development Plan. For industrial ventures, ICDC has been lending medium and long-term loans. However, during 1980-k984 ICDC has continued with its strategy of consolidation and rehabilitation of ongoing industrial projects. The corporation is acting on the decisions of a parastatal development task force which also guides ICDC's strategy.

b) Industrial Development Bank (IDB)

IDB is promoting the industrial development of Kenya through one or a combination of the several of the following methods:

- (1) Provision of medium and long term loan finance
- (2) Direct equity investments
- (3) Provision of guarantees for loans from other sources
- (4) Underwriting security issues, shares, stocks, bills of exchange, promisory notes, and similar obligation

The world wide recession in the past few years and the need to subject projects to vigorous and thorough appraisal before approval affected the IDB's activities in 1984. The number of large projects approved by the bank increased to 6 from 2 in 1980 but total commitments declined around 10%.

c) Kenya Industrial Estate Limited (KIE)

KIE is an independent financial cum sites and services institution promoting small scale industries throughout the country. KIE promotes and finances both new industrial projects and the expansion of existing projects within and outside the industrial estates. Number of projects financed in 1984 was 114, 25 less than in 1983.

d) Development Finance Company of Kenya (DFCK)

The shareholders of DFCK include ICDC, the Commonwealth Development Corporation, the German Development Company the Netherlands Finance Company and IFC; DFCK's financing facilities are primarily directed towards establishment and/or expansion of manufacturing and agricultural assisting enterprises. The number of projects approved in 1984 was 12 which was 10 less than in 1983.

Institution	1982	1983	1984
ICDC	6	7	8
IDB	9	2	6
KIE	137	139	114
DFCK	27	22	12
T O T A L	179	120	140

Figure 122.1 Industrial project approved by selected Government or quasi Government institutions 1982-84.

Source: Industrial Survey 1985.

Other major parastatals under the responsibility of the Ministry of Commerce and Industry are:

- Kenya Bureau of Standards
- Kenya Industrial Training Institute
- Kenya Institute of Business Training
- Kenya Industrial Research Development Institution.

114 PROJECT DESIGN

The project DP/KEN/80/001 is the successor to UNDP/UNIDO project DP/KEN/74/007 Assistance to the Industrial Survey and Promotion Centre. Objectives of KEN/74/007 project were primarily to identify investment opportunities, to provide training to the related staff and to establish, and operate an industrial information system.

As mentioned earlier in this report, the original project document (DP/KEN/80/001) was signed 16th October 1980. The implementation was planned for the period January 1981 - December 1983 but difficulties encountered in identifying a high calibre Team Leader until January 1982 has delayed implementation. After the Team Leader's arrival a TPR meeting was held during February 1982. It was decided that a committee be established to review the project document. There was a need to revise objectives and outputs because the priorities of the Government had changed and on the other hand, objectives and outputs should be made more specific. The redesign of the project document was finalized during a tripartite TPR-review held on 2nd May 1983. The revised project document extended the project up to April 1984, and a Tripartite Review meeting in July 1984 extended further the implementation of the project KEN/80/001 up to December 1985.

Development Objectives

The primary development objective of increasing industrial production to which the project should significantly contribute is basically same in both the original and revised project documents of DP/KEN/80/001. The secondary objective - consolidation of existing industries by effecting improvement in the domestic value-added was stated only in the revised project document.

The ability of the project to impact significantly on the development objective cannot be determined by the evaluation because of the many external factors influencing the industrial sector. A more precise development objective statement would have helped.

Immediate Objectives

Generally speaking the order and areas of coverage immediate objectives are the same in both of the project documents except number eight. The objective statement in both are a mix of output and activity statements. The following additions (+) has been made and some items have been left out (-): (Refer to Section III pages 1 to 4).

- 1) Manuals and criteria (+), strategies and prospects (-)
- 2) Fifth Development Plan mentioned explicitly (+), design instruments (-)
- 3) In the Industrial sector (+), under the Ministry of Industry (-)
- 4) Choice of(+)
- 5) Promotion of Kenyanization (+), though well planned and coordinated training programmes (-)
- 6) A system for dissemination of information to industry (+) a comprehensive information system (-)
- 7) No change
- 8) Identification of measures required to accelerate the pace of industrial growth (+), Review and improve if necessary the techniques for prospecting long term manpower and capital requirements in the industrial sector (-)

The reformulated immediate objective number eight is partly covering the area left out from the objective number one - the area of formulating strategies.

The Function of the Project

An improved capability and self reliance in industrial planning as an institution building objective has been mentioned in both of the project documents. In view of Kenya's Kenyanization programme the project's primary function should be Institution Building and not Direct Support.

The Direct Support primary function of the original project document was not corrected in the redesigned project. By definition Direct Support means to deliver through experts directly - products, studies, resource surveys, etc. - to the end user. Since the project's primary function is to create capacities and capabilities it is an institution building project, with a secondary direct support function. The development objective - to strengthen the functional role of the Ministry of Industry and promotion of Kenyanization - supports the institution building aim. Regrettably how that was to be accomplished was never fully spelled out by UNIDO, UNDP and Government. This failure to focus project design toward institution building requirements has affected project performance. This will be discussed further in this report.

Outputs

Considering the revised project objectives the outputs or results to be produced in order to achieve the project objective have been relatively well detailed in the revised project document. However, objective seven and eight have not been explicitly specified in the list of outputs. Nor is immediate objective three adequately detailed in terms of outputs required to improve the Ministry's capability.

Referring to the revised document it still can be assumed that the output (iii) listed under (2) Industrial Studies and Reviews for Developing policy frames (Fifth Development Plan) which reads as follows "An assessment of the potential of existing industries for export and identification of the measures required to exploit the available potential" has been stated as an output linked with the immediate objective number seven. On the other hand, the output (iv) listed under the heading (4) project development and Evaluation which reads as follows "An overall review of the industrial base of Kenya to identify areas offering investment opportunities for industrial growth" can be linked with the objective number eight.

Project outputs should be explicitly designed to show the linkages that their achievement have on the achievement of the project objective.

Outputs connected with the self-reliance objective are not strong and clear enough to make a strong link with the related project objective. In order to reach the balance either the outputs and objectives should have been modified. A specification of the skills required and of management systems and overall organization and coordination abilities leading to effective self-reliance should have been in the output statement. Beyond the gaps mentioned the outputs listed are specific enough to serve as a basis for evaluation. All expected outputs are listed in Chapter 13 and are compared with actual results.

The outputs in the original project were not that well formulated. The linkage between objectives and outputs were not structured in an orderly manner.

Activities

Activities as stated both in the original and revised project document are mostly a repetition of immediate objectives and do not constitute a blueprint on how to proceed with project implementation. Both activities and inputs will be discussed in more detail in Chapter 12.

115. ENDS-MEANS ANALYSIS

Lack of full specification of the institution-building function of the project has contributed to project gaps which will be identified in the following sections. However on the whole actual project activities and inputs has provided the means to achieve the ends of increased institutional capability, to what extent how much is difficult to assess.

The causal linkages between Development objective, immediate objectives and outputs are not clear. For that reason an illustration has been made, in Annex III, to show in which way the above linkages could have been formulated.

12. PROJECT IMPLEMENTATION

121. DELIVERY OF UNDP INPUTS

The delivery of inputs which can be readily seen from the three major project budgets revisions in Table 121.1. The project expects to deliver by the end of 1985 over 280 m/m of short and long term expert assistance for a total cost of \$1.7 million. With the change of Government policy focus and project needs there has been a trend away from the short-term to long-term consultants and this component has been reduced from 126 to 76 m/m. Long term experts not originally envisaged in the project in the field of industrial engineering, industrial economy and agro-industries and marketing were provided to Government.

The training component has benefitted 47 trainees. The training is the only major budget component which increased significantly due to inflation and increased needs caused by staff high turnover.

The original CTA of the project acted in the two capacities as Team Leader and Industrial Planning Adviser

Other long term experts included advisers on technical development and application, joint ventures, project studies, small-scale industries development and industrial information. The approximately 70 m/m of short term consultants dealt primarily with pre-investment project studies including feasibility studies. The results achieved are discussed in the Project Results section of this report.

122. GOVERNMENT INPUTS

The project was to assist and interface with the entire Department with varying degrees of intensity. A majority of its staff have therefore

been involved with the project. The Department made every effort to provide counterparts to most of the experts except where turnover and overseas training precluded this possibility.

The June 1985 manning table and organization chart of the Divisions of the Department are attached in Annex IV. It should be noted that the project has suffered from high turnover and during June at the operational level: the Industrial Promotion Division has approximately 16 vacancies; the Industrial Implementation Division has 7 vacancies and the Industrial Administration Division has 5 vacancies; and the Industrial Planning Division has at least 2 vacancies. However these vacancies are only for established posts which are inadequate, just before the mission arrived two vacant Division head posts were filled.

The Department of Industries was reorganized during 1982 to increase efficiency in accomplishing the tasks assigned and to strengthen the Department's coordination function. The project has assisted in this reorganization effort.

Table 121.1

UNDP BUDGETS

BUDGET LINE		ORIGINAL 16.10.80		REVISION 12.5.83		REVISION 20.11.84	
		m/m	\$'000s	m/m	\$'000s	m/m	\$'000s
11-01	Sr. Adv. Ind. Plan (CTA)	36	221	43.4	297	43.4	292
11-02	Sr. Adv. Tech. Dev.+ Applica.	34	208	35	226	33.3	219
11-03	Sr. Adv. Joint Ventures	36	221	15.7	93	15.7	94
11-04	Sr. Adv. Project Studies	34	208	12	78	12	78
11-05	Sr. Adv. Small-scale Ind.Dev.	36	221	14	88	14	88
11-06	Sr. Adv. Ind. Inf.	34	208	12	68	12	68
11-07	Industrial Engineer			12	82	8	53.25
11-08	Industrial Economist			23	188	36	235
11-09	Specialist in agro-ind.			12	80	29	196
11-10							
11-50	Short term consultants	126	776	74.3	426	76.3	427
11-99	Sub-total	336	2,062	258.4	1,629	279.51	1,751
13.00	Support personnel		160		157		212
16.00	Other personnel costs		68		57		68
19.00	Total personnel component	336	2,291	258.4	1,843	291.52	2,030
20	SUB-CONTRACTS						
21.00	TOTAL		45		28		46
30	TRAINING						
31.00	FELLOWSHIPS	235	346		497		698
33.00	IN-SERVICE TRAINING		90		23		21
34.00	GROUP TRAINING		80				
39.00	TOTAL TRAINING		514		519		720
49.00	TOTAL EQUIPMENT		85		63		71
59.00	TOTAL MISCELLANEOUS		13		25		27
	GRAND TOTAL		2,950		2,478		2,894

123. Project Implementation Activities - some issues

The project has from time to time prepared workplans, the first of which was prepared for the year 1982. The activity plans include a listing of reports which will be prepared during the period up-dated training programmes, deployment of advisers in the different Department of Industries divisions and a plan for short term consultants.

As already mentioned the project document was revised during 1982 and was signed only in May 1983. Work in accordance with the revised plan started only in 1984. However the objectives are similar in each document and therefore project activities although more detailed generally represent a continuum.

Long-term advisers in general were able to work together with counterparts and were deployed in the different divisions of the Department on a need basis.

In this area of in-service training and counterpart support the Department of Industry made every effort despite difficulties to provide a national professional to work with the consultant.

As in all projects of this kind the efficiency and effectiveness of project activities is a function of the ability, skills, experience, personality and willingness of the Advisers to carry out their dual roles as subject matter experts and in-service trainers. The Department of Industries assessment of the Expert's ability to perform their on-the-job training role ranged mostly around each end of the scale, either unsatisfactory or very effective.

The performance of this dual role was left to initiative of the experts. Clearer job descriptions and other instructions to the advisers on the importance of the training role they have in the project is required.

Although the mission accepts that every effort was made to maintain stable manning table the turnover of staff hindered efforts to efficiently strengthen staff capabilities and explains the high volume and cost of the training activities. (See Section 122.)

The reports produced by the experts or national professionals jointly or individually were discussed in staff meetings.

The project however has not developed an adequate monitoring system to keep informed about the status of and follow-up needed to pursue implementation of reports/proposals submitted for Government consideration.

The formal training programme will be discussed in Chapter 13. So also the special role the project played in the preparation of the Development Plan (1984 - 88).

13. PROJECT RESULTS

The purpose of this chapter is to assess project results - outputs. The successful production of outputs should bring about the achievement of the project objectives of the 1982 revised document. The results have been studied in three parts: institution building, direct support and follow-up.

Assessment is based on the following sources: Opinions of the government staff members directly involved with respective studies, opinions of members of the mission based on reading through a sample of studies, interviews and statistics based on questionnaires. Extensive discussions were also held with parastatals and Organizations who work with the Department of Industry (see Annex II for a List of Persons Met and Institutions Contacted).

131. INSTITUTION BUILDING

1. Objective(1)

Guidelines, manuals and criteria required to facilitate the tasks of industrial planning and programming, project development, evaluation and monitoring of projects execution.

a) Guidelines for Industrial Planners

- A guideline for industrial studies has been replaced by the preparation of a Guideline on District Studies for Industrial Development. This has been adopted for use in the Ministry. A guideline for Planning and Programming is under preparation. A card monitoring system was proposed but not adapted.

b) Guideline for producing pre-feasibility studies

- This output has been dropped because of the UNIDO-manual on the subject

c) Review and update Industrial Development Manual

- An Industrial Development Manual for the appraisal, approval and monitoring of industrial projects has not been prepared. An attempt should be made to complete such a manual.

d) Brochure on Industrial Information

- A brochure on Industrial Information has been prepared in 1983.

e) Directory of Manufacturers of Industrial Products

- Proposal for the scope of a directory has been prepared in 1983.

Quality - The quality of the documentary outputs range between satisfactory and good.

2. Objective(5) Promotion of Kenyanization

(a) On the job-training of national staff by experts

- Experts have been training national staff on the job. The willingness to do so has often depended on the type of the expert. National staff was asked by the mission to what degree the experts have used their time for on the job training. Rating 1-7 was used, where 1 means "not at all" and 7 indicates "very much". Average rating in the sample (6) was 4.8 which means "above satisfactory". Most of the views are clustered around the extreme ends of the scale.

(b) Symposium and Seminars

- Four out of five expected symposiums/seminars have been held and were well run and appreciated. They are a symposium on Industrial Research and Development; a training workshop on Project Development and Evaluation; a workshop on the Promotion and Regulation of Direct Foreign Investment; and, a workshop on Regional Industrial Development.

(c) Training Abroad - not a specific output

- 47 officers of the Ministry have been participating training abroad. A survey using questionnaire was conducted by the evaluation team to elicit views about training results. A sample of 17 officers responded. The two major questions mentioned below were asked (see sample questionnaire in annex VI) and a rating scale from 1 to 7 was used. The results are the following:

Average rating

Degree to which skills
have increased

Good/above satisfactory

Extent of trainees ability
to use newly acquired skills

Good/above satisfactory

During the interview two more skill formation questions were asked.

- (1) In the light of efficient implementation of functions of the division, what is the current degree of skills of the staff,

Results: Average rating (4.6) satisfactory

- (ii) What kind of impact the project has had in skill formation

Results: Average rating (6.3) Good/Very good

In spite of high turnover the average skills are still satisfactory. The staff has a high opinion of the impact of training.

3. Objective(3)

An improved capability of the Ministry of Industry in outlining and co-ordinating industrial activities and policies including the co-ordination of specialized institutes in the industrial sector.

- (a) A review of functional relationships of the Ministry with its parastatal agencies to identify the institutional and procedural measures to achieve and accomplish the coordination of industrial development activity at the level of the Ministry.

- A plan for Industrial Coordination Division was prepared in 1983 but the merger of two ministries prevented its implementation. A revised scheme should be considered to meet the current needs of the Industrial Sector.

- (b) Assistance to the Ministry in monitoring progress on the projects under execution;

- Report "Restructuring of the Project Implementation Division" was prepared in 1983 but was not approved. However only administrative aspects have been included in the report. The Industrial Development Manual has been postponed but the subject requires attention.

4. Objective(6) - Establishment of a Data Bank for industrial planning and programming;; project evaluation and other decision making purposes as well as a system for dissemination of information to industry

- Three out of six expected sub outputs have been so far accomplished. Data Bank has not been established. It should be considered at a later date. Directory of Manufacturers has not been published and dissemination of information has still to be expanded. The Information Unit has suffered from budgetary constraints.

Quality : Unsatisfactory.

132. DIRECT SUPPORT*

1. Objective (4) Pre-Investment studies

(a) An assessment of the nature and size of the import component.

(b) An assessment of the utilization of installed industrial capacity.

- Government decided to include the above expected outputs in the study being carried out by USAID.

(c) An assessment of the nature and size of foreign investment.

- The report on "Private Foreign Investment in Kenya" has been written.

(d) Sectoral studies for project identification

- Results:

- | | |
|-------------------|---------------------------------------------------------------------------------------------------------------------|
| (i) Agriculture: | 34 Reports
4 of the subjects in Development Plan
Average quality: Good |
| (ii) Engineering: | 26 Reports
11 of these subjects in Development Plan
Average quality: Above satisfactory |
| (iii) Chemical: | 5 Reports
2 of the subjects in Development Plan
Average quality: Ranging from fair to very good |
| (iv) Small Scale: | 5 Reports
(Establishment of Small Scale Industry Division decided in Development Plan).
Average quality: Good |

*The number of reports quoted in this section are approximate and are based on best information available at the time of the mission. They should therefore be used for indicative purposes only. See Annex IV for a complete list of reports provided by the Department of Industries.

- (v) Textile: 2 Reports
Average Quality: satisfactory - good
- (vi) Building: Expert just arrived
- (vii) Strategic Industries: Identification carried out

(e) A review of the Industrial Promotion activity of Ministry in relation to the incentives and facilities

- Reports: - Private Foreign Investment in Kenya
- Procedures for manufacturing under Bond and just lately published
- Review of Industrial Promotion Activity

(f) A comprehensive and fully integrated statement of industrial policy and strategy and a draft of industrial development law:

- Proposed Industrial Policy and Strategy was prepared and its substance is included in the Development Plan. The idea on the industrial development law was dropped by the Government.

(g) Pre-feasibility Studies:

- Pre-feasibility studies have been prepared in eighteen different sub-sectors. By sectors the figures are included in those figures given in (d) above.

Quality: mixed, difficult to assess

(h) A study on the ways and means of stream lining infrastructural facilities and associated policies required for attracting and promoting foreign and local investment including joint ventures.

- 15 reports

Quality: Satisfactory

(i) A review of the agricultural, livestock, fisheries and mineral base of Kenya to identify industrial investment opportunities:

- Through field reports a variety of industrial projects have been identified for further studies.

2. Objective (2) The Design of Measures and Projects for incorporation in the fifth Development Plan.

- As reported above a chapter on manufacturing in the Development Plan for 1984-88 was prepared based on the extensive preparatory work assisted by the project.

3. Objective (7) Identification of industrial areas with potential for export

- Government decided to include the expected output connected above objective in the Study being carried out by USAID.

4. Objective(s) Identification of measures required to accelerate the pace of industrial growth with the following, assumed output

An overall review of the industrial base of Kenya to identify areas of foreign investment opportunities for industrial growth.

- The essence of three reports transferred to the Development Plan.

5. Other direct support outputs.

- There are a number of other direct support reports not related to any of the planned outputs.

6. Other direct support outputs.

- There are a number of other direct support reports not related to any of the expected outputs.

See Annex IV for a complete list of documentary outputs.

133. FOLLOW-UP

Manufacturing Chapter in the Development Plan for 1984-88 is one of the central outputs of the project. Based on the pre-preparatory work made by the project two Department units - Industrial Extension Service and Small Industries Division - were established. Many other major suggestions as Export Credit Guarantee Scheme, Production Under Bond and Export Processing Zones are still awaiting final decisions and implementation. It has to be noted that none of the suggested manufacturing projects have been implemented.

The same is the situation with the ideas created by the project but left out of the Development Plan. There is a large stock of ideas awaiting for final decisions and implementation.

21. CONCLUSIONS

211. FORMULATION AND PROJECT APPROACH

This project has suffered from a confused design in that the Direct Support function and the Institution Building functions were intermingled and not fully specified. The inferred project objective, which includes both institution building and direct assistance, is too vague, and difficult to verify. The project is essentially an institution building project which is to provide technical advice and training to staff to achieve a self-reliant capability to carry out the functions of the Department of Industries. Towards this end, the project has with the help of experts developed guidelines, manuals and procedures on how to carry out various tasks charged to the Department.

The problem is that it is not enough to field experts, who may or may not provide on-the-job training, it is also not enough to develop proposals for methodologies, procedures, guidelines and manuals without systematic approach for their installation and implementation.

The absence of a systematic institution-building approach in the design of the project made implementation, monitoring and this evaluation unnecessarily difficult. The logic and intent of the project is not clear. The causal effect (impact) of the project on industrial development is difficult to measure

The project approach - how the project objective is to be achieved is unclear because the output statements are mixing up capacity building and direct support.

The output statements do not clearly differentiate between what the project will do and what the Department plans to accomplish. The Departments' accomplishments would then constitute achievement indicators of its strengthened capability.

In summary, a lot of resources have been thrown together in the hope that something good will result.

Fortunately, the Department is competent enough to know what is required to build up their capabilities and as a result the project primarily through its extensive fellowship programme has had a fair amount of success in creating capabilities in spite of the shortcomings of the project document.

212. IMPLEMENTATION

a) UNDP INPUTS

Apart from the initial delay in the filling of the core team of experts the implementation of the project has had the following significant aspects:

- a) The project has benefited from a very substantial long-term expert input of over 200 m/m. The quality of experts varied widely.
- b) The original concept of one third short term consultants and two thirds long term experts was reversed when for various reasons it was felt that long term experts would be more useful in meeting the urgent needs of the Department. At present only \$427,000 UNDP personnel component of over \$2 million is budgeted for short term consultants, as compared to the \$780,000 originally expected.
- c) On the fellowship training side the amount spent doubled from the original budget. This is partially due to inflation and partially to meet the increased training needs required to make up for the skill deficiencies caused by high turnover of previously trained staff.

The product of a) and b) above has resulted in a huge body of documentary outputs produced by experts of varying degrees of usefulness and quality. They require an inter-departmental review and need to be synthesized and where feasible selectively implemented. Follow-up is often left up to the initiative of individuals. This is not a critique of Department staff but of the project for not having developed and installed a more systematic approach to select useful reports, follow them up and promote their implementation.

The project has increasingly taken on the aspects of budgetary support since often special work is assigned to the experts. This by definition is often at the expense of planned project activity. According to staff interviewed more on-the-job training should have taken place. Lack of focus on this task can be linked to the inadequate institution building specification inherent in the project design, and the urgent special assignments requests made by senior department management to international staff (see annex IV which list planned and unplanned outputs). Although it should be noted that these special assignments are considered to have greatly benefited the Department in the conduct of their tasks. Maximum utilization of international expert input has been hampered by inadequate follow-through management systems, changing requirements (not negative per se), too much leeway in carrying out on-the-job training activities.

Tighter job descriptions based on institution building requirement and clearer guidance could have helped. A strong opinion Department of Industry was also voiced about the need for experts to adjust to a new work environment which inter alia requires the ability to adapt and follow instructions in a new environment.

In respect of c) above, fellowship training, the unanimous reaction has been its utility. The programme has been well managed and no major problems were reported. The evaluation team were not able to resolve the question of using scarce technical assistance funds for long-term degree course vs. short-term courses vs. group training in situ. The training in appraisal, investment evaluation, investment promotion has been effective. In fact the team was repeatedly told that an indication of this is the high turn-over of staff.

In summary courses were highly appreciated and were for the most part effective in developing specialized skills required in carrying out the tasks of the Department.

b) GOVERNMENT INPUTS

There has been a problem with Government inputs which revolves around the currently unsolvable problem of high staff turnover. Since the project started there have been three Ministers, two Permanent Secretaries and two Directors with large gaps between Directors appointments. After the mission left Kenya there was a further change in Senior Management. Moreover during this period there has been an extremely large turnover of Division Head and Section Chiefs until just before the mission only one of four of Divisions here effectively manned. (see Annex V)

At the operational level this may be a reflection of lack of status and job satisfaction comparably higher salaries paid by private industry and development banks. There was common agreement amongst staff interviewed and amongst the evaluation team that status is important and depends on the ability for the Department to establish an effective need oriented industrial development, promotion and co-ordination service capability and the means to follow through with these services.

The issue of job satisfaction is also affected by repetitive tasks which have to be performed by highly trained staff who have little influence on the origin of these tasks and not enough opportunity or means to pursue follow-up on tasks accomplished. This problem was strongly felt by staff members preparing pre-investment documentation and appraisal. Many people interviewed outside the Department of Industries felt that the possibility of spinning off some of these functions to autonomous or semi-autonomous organizations having greater freedom to offer better terms of service doesn't seem to be acceptable to Government at this time, but should be kept in mind.

It is however, felt that a continuing presence of dynamic leadership coupled with a decentralization of responsibility to pursue follow-up would make the third factor of low salaries a less significant cause of staff turnover.

c) ACTIVITIES

The project document envisaged that the project would work directly and report to the Director of Industries. Presently the international team receive directives and report to the Chief of the Industrial Promotion Division. This is presumably because many of the functions carried over from the former ISPC project were entrusted to the Promotion Division, however many other crucial project activities impact on the functioning and responsibilities of other Divisions. Additionally many of the tasks assigned to the experts have interministerial ramifications. The Department decided that this would be the optimal project focal point, for project direction given the present staffing situation.

The activities of the project were relatively well monitored and reported through the UNDP progress report and UNIDO Self-evaluation Performance Evaluation Report mechanisms. However the design of the project hampered clear reporting, and no effective action was taken to improve this shortening despite suggestions by the UNIDO Evaluation Unit to do so.

213. PROJECT RESULTS

a) Institution Building Results

The central aspect in institution building is to leave behind a continuing capacity. Although institution building was not stated as a function of the project the following objectives and expected outputs and inputs are related to that function: i.e., preparation of guidelines, manuals, on the job-training, symposiums and seminars, training abroad, capability in outlining and coordinating industrial activities and policies and establishments of industrial information system:

- (i) Three guidelines for industrial planners and a brochure on industrial information has been prepared. Directory of manufactures of industrial products is in process. However, a special guideline for producing pre-feasibility studies - in view of the UNIDO manual - and an industrial development manual has been dropped.

The development of manuals as such is only part of the process, internal training should be included in order to make sure that the message has been understood and as a result to create the capacity on the special subject.

The evaluation team is of the opinion that the current status regarding the manuals as such and related internal training is not sufficient to meet objectives. The quality of current manuals is ranging between satisfactory and good. Awareness of project produced materials is however low.

(ii) According to a survey of staff the willingness of experts to do on the job-training has been average/above satisfactory depending largely on the personal traits of the expert fielded. The total number of participants of symposiums and seminars has been 359 which can be assumed to be an above average result. However, one seminar is still waiting for Government decision. Sixteen of those 47 staff members who have been trained abroad - according to survey - ranked the degree of their knowledge and skills to be increased as above average/to a large extent. As a general assessment regarding the skill formation component the results achieved are on the level above average.

(iii) Assistance in facilitating the Department's efforts in outlining and co-ordinating industrial activities and policies, has included the drafting of various proposals. Because of the total change of Ministry of Industries organizational structure several earlier proposals are redundant and have been only partly implemented.

(iv) Information System

Three outputs out of six have been implemented. Dissemination of information is not, in mission's opinion, on a satisfactory level, industrial data bank has not been established and directory of manufactures not published. The results vis-à-vis objectives are not satisfactory. The information unit is suffering from budgetary constraints.

(v) New Directions

Two units mentioned in the manufacturing chapter of the Development Plan - a rudimentary Industrial Extension Service Unit and Small Industries Unit have been established as Sections in the Division of Planning of the Department of Industry.

b) Direct Support Results

The expected objectives and outputs related to direct support include: industrial studies and reviews for developing policy frames, assistance in project development and evaluation, and as a special objective assistance in the design the chapter for manufacturing in the Development Plan for 1984-88. For that purpose a great amount of reports has been produced by the project

achieving the expected outputs with a few exceptions, save for adjustments made due to changing priorities. Most of the gaps should be filled by the end of the project. Quantitatively the documentary outputs vis-à-vis expected output are at the level above satisfactory. The quality of the reports varies from fair to very good. A stock of studies prepared by the project are now awaiting for implementation, which at the moment is a major bottleneck. None of the project proposal mentioned, identified and studied have been implemented so far, however, efforts continue to identify investors, especially in 1981 - 1983 the project was made a concentrated effort to assist in preparation of the chapter for manufacturing in the Development Plan for 1984 - 88. Based on the preparatory assistance work done by the project and through the team work with Ministry of Finance and Planning the chapter was published in 1983 as a part of Development Plan. Mission's opinion is that the plans logical links between industrial development objectives and strategies have been properly established. However the linkages between strategies and operational follow through are needed for efficient implementation.

214. INSTITUTIONAL FRAMEWORK

Reaching macro objectives through establishing new ventures or expanding old ones needs integration of decision making between macro policy making and micro levels, where the number of decision makers are numerous. In order to play its role efficiently in the integration, the evaluation team's opinion is, that the Department of Industries does not have enough means to integrate and coordinate policies to disseminate relevant information or to promote programmes and projects, a large part of the problem is the lack of adequate funds and manpower to carry out its mandate.

22. RECOMMENDATIONS

221 Project Specific recommendations

- (1) In the light of the need to make a greater effort to secure progress made in institution-building a Department review should be conducted to pay special attention to the guidelines, manuals, methodology and procedure outputs prepared by the project and identify those which can form the basis for a Policy and Procedure Manual for the Department of Industry. Perhaps an intra-departmental committee could be formed for this purpose. The UNDP Policy and Procedure Manual could serve as a model for this undertaking.

If in the process gaps are identified the evaluation team would support consultancy assistance to close them.

- (2) In order to preserve, strengthen, maintain a continuity of skills in the Department, the development of a continuing internal programme workshop training is strongly urged. For that purpose, on-going skill requirements such as evaluation, appraisal, feasibility study preparation etc. would need to be selected as training subjects. Existing materials could form a basis for the preparation of training modules for each area selected.

The training programme would have several purposes:

- (a) Improve understanding of and skills in applying principles of i.e. appraisal, evaluation, investment promotion, development etc.
- (b) Establish a common vocabulary and a more systematic approach for the functions of the Department and similar functions carried out by other institutions, especially if the latter were invited to participate.
- (c) To familiarize staff within the Department and, if invited, outside institutions with tools for i.e. appraisal, evaluation etc. thereby improving compliance and on-the-job performance.
- (d) To sensitize Department staff and outside institutional staff the need for further study.

The programme would be comprised of several specialized workshops for which material including use of case studies will have to be developed.

This would have to be a co-operative effort between skilled department staff and a professional training consultant.

The mission strongly recommends the provision of a training expert under the present project. He should be experienced in developing interactive, audio-visual, case study oriented workshop packages.

The project team should assist the Department in identifying continuing training needs and in the preparation of terms of reference for the Consultant, and subsequent work programmes.

This exercise would also assist in consolidating a part of the significant but to some extent unimplemented project institution building related output, minimize loss of institutional capability caused by staff turnover; and to indirectly foster inter-institutional linkages via participation of interested staff from outside organizations who are working in similar capacities.

The availability of existing training packages elsewhere should be explored by UNIDO. If suitable packages are found they could possibly be adopted to the needs of the Department.

(3) Information Systems

Industrial information collection, storage, analysis, and dissemination is a vital service function the Department must provide to all organizations involved in the industrial development process. Although the Information Centre has established a valuable reference unit, capability to analyze and a capacity to disseminate relevant information is unsatisfactory, and must be strengthened by providing the Department with the means to adequately staff and carry out its functions; such as the regular dissemination of an industrial information publication.

(4) Design inputs/activities

Future project design for the Department of Industry should follow established UNDP/UNIDO procedures as contained in UNIDO's Project Design and Evaluation manual. Special care should be taken in fully specifying each function and/or service capability if the project is to efficiently strengthen and/or establish capabilities in the Department of Industry.

Future inputs to any further institution building project should focus not only on the preparation of documentary outputs but also on their introduction, implementation, evaluation, revision and institutionalization.

Monitoring and follow-up systems need to be built into project design to ensure proper follow-through on project initiatives and outputs.

Although the evaluation team fully understands the problems involved, without a stable staffing situation no amount of assistance can establish a lasting industrial development capacity. It is therefore urged that all posts be filled as soon as possible to avoid deterioration of institutional capability created by the project.

Moreover, the many institution building outputs need to be synthesized and clear policy guidelines, and procedures be installed to support the Department staff in their work.

UNIDO should ensure that their team develop and maintain more systematic monitoring systems, particularly in respect of the utilization of project results. These monitoring systems should also be introduced into the Department of Industries.

222. Coordination

- As stated the project has produced a vast inventory of documentary outputs - particularly investment oriented studies - which either need to be put in the archives or actively followed-up. Since the documents represent valuable analysis and recommendations for action which should not be allowed to become out-dated the evaluation team recommends that the Ministry of Industry and Commerce make increased use of existing Committees or constitute a special Industrial Coordination Committee to co-ordinate a review and periodically monitor implementation of the programmes and projects covered by these documentary outputs - including any produced by the two previous projects which are not considered to be dated. Such a Committee where appropriate should have representation of those parastatals, Manufacturers' Association and other organizations who could benefit by participating. In this context it is recommended the working groups should be activated to study and recommend action on the following areas:
- Investment Implementation: - To reactivate the monitoring of investment promotion progress. This working Group should have a broad representation which may change in accordance with the type of investments being discussed.
- Small-Scale Industry and Rural-based extension Services : Membership should include organizations involved in or have an impact on the subject. The Committee would need to study all the documentary outputs produced by the project and other organizations i.e. donor/financing/ technical agencies, other Ministries, parastatals, etc.
- Industrial Development Infrastructure - to review and synthesize all documents and other available reports which have analyzed and suggested institutional change and alternative arrangements for a stronger co-ordinated industrial development programmes.

223. Focus for the Future

- In conclusion a project extension weighted toward the present project approach (direct support) is not recommended, except to address specific gaps discussed earlier. A broad, direct support biased approach at this stage would bring marginal returns, a period of consolidation is required.
- However, in view of Government's intensified initiative to focus more on district planning and development, and related small-scale industry and extension services all areas in which the project has already provided support in an advisory capacity, if the Government so decides, the mission would support a request to develop and/or strengthen institutional capacities and capabilities in this field. Particularly to

strengthen the two Department units active in small industry and extension services.

This new development strategy requires a broad based co-ordinated approach. The mission urges that any project proposal be jointly considered by the Small Industry Industrial Coordination Working Group mechanism suggested above.

- This Small Industry Working Group could consider the reports produced by the project and other relevant documentation. The purpose would be to synthesize this information, propose detailed policy recommendation and approaches to the relevant decision-making authorities with a view towards the establishment of an integrated small industry development programme and to create an environment conducive to decentralized small-scale industrial development. This effort would help ensure that any new technical assistance request addresses relevant issues i.e. this would involve consideration of infrastructure improvements, improved credit schemes, extension services for small-scale industrialists and emerging entrepreneurs, and strengthened implementation/co-ordination mechanisms.
- In view of Government's continuing efforts to improve productivity of existing manufacturing facilities as indicated in the Development Plan and Sectoral Paper on Renewed Growth, technical assistance requests to assist the Department promoting improved capacity utilization in Kenya merits support.

Terms of Reference

Since achievement of national independence, Kenya has pursued with consistency the accomplishment of the following social economic objectives in the fields of industrial development:

- a) Creation and maintenance of a favourable investment climate capable of attracting direct foreign investment;
- b) Kenyanization of ownership and industrial management;
- c) Employment generation by accelerated industrialization
- d) Regional dispersion of industries by promotion of new industrial locations.

Development planning has been pursued since 1964, and integrated industrial planning has increasingly gained importance.

Since the early 1970s, UNIDO's Industrial Planning Section has been supporting Kenya with three consecutive multi-disciplinary UNDP-funded projects in the fields of industrial surveys, studies, strategies, policies, promotional programmes and industrial development plans. Additionally, the project teams prepared profiles, reports and pre-feasibility studies for various industrial activities and sub-sectors, the number of which amounts to about 140.

The project numbers and titles are:

- DP/KEN/70/521 - Industrial Surveys and Studies;
- DP/KEN/74/007 - Assistance to Industrial Survey and Promotion Centre;
Strategy and Policies for Industrialization;
- DP/KEN80/001 - Assistance to the Ministry of Industry.

The main parameters of the three projects are as follows:

Project Nos. DP/KEN/	70/521	74/007	80/001	TOTAL
Duration of Projects:	1970-1977	1978-1981	1981-1985	1970-1985
	US\$ Million	US\$ Million	US\$ Million	US\$ Million
Total Allotment \$1,000	1,365	1,669	2,894	5,928
Input Breakdown:				
- Equipment \$1,000	27	111	71	209
- Training \$1,000	-	201	720	921
- Sub-contracts \$1,000	-	33	46	79
- Experts/Consultants \$1,000	1,214	1,156	2,030	4,400
Work/Months	359	232	292	883

Annex I

The first project, DP/KEN/70/521, provided assistance in setting up an Industrial Survey and Promotion Centre (ISPC) to support the Government in implementing the industrial development functions, particularly in economic research on industrial development in Kenya.

The second project, DP/KEN/74/007, was the direct follow-up of the above-mentioned project. The increasingly specialized assistance to ISPC was continued, addressing more comprehensive problems such as support in the preparation of the Development Plan 1979-1983, and the elaboration of policies for a purposeful plan implementation. Micro-economic activities were also included, i.e., pre-feasibility studies for specific projects, studies to identify and evaluate the production and export potential of specific sub-sectors and industries. On the side of institution-building, the most important result was the formation of the Ministry of Industry, which was later merged into the Ministry of Commerce and Industry. An extended training programme was initiated to meet the growing demand for qualified cadres for further industrial development.

The third project, DP/KEN/80.001, was started in 1981 and is scheduled to terminate by end-1985. Although continuing many activities of the former projects at a higher level, the elaboration of industrial strategies is the focal point of the project. The Kenyan Government preparation of the Chapter on the Manufacturing Sector in the Fifth National Development Plan (1984-1988) was accomplished in close co-operation with the project staff. Studies on industrial diversification, small-scale industries development and other problems of industrial restructuring were prepared. The training programme has been further extended and specialized. Since 1982, about 60 fellowships for training abroad have been awarded. Many proposals for the increased utilization of local resources and the application of appropriate technologies (charcoal for metallurgical purposes, extension of fruit-processing, edible oil programme) have been prepared and are under consideration.

In summary, UNDP/UNIDO has co-operated with the Kenyan Government to assist in the strengthening of the management of industrial economy both from the financial and economic planning aspect, in areas of policy formulation, technological development and application, project identification and evaluation.

Moreover, it was hypothesized that in advising and training Kenyan industrial development officers, an increasingly sophisticated indigenous capacity will be developed to identify, plan and implement Kenya's industrial development goals.

In accordance with UNDP/UNIDO requirements to serve as a basis for making decisions regarding further technical assistance requirements, if any, and to assess progress made in developing and strengthening Ministry officials' capabilities to plan and implement industrialization decisions, including co-ordination and presentation of industrial projects, the conduct of an in-depth tripartite evaluation exercise has been agreed upon to:

- a) assess the project achievements to date; and
- b) identify pertinent gaps, problems, including external factors, affecting the project, and opportunities for remedial actions.

II. Scope and Purpose of the Evaluation

In accordance with provisions contained in Chapter 3470 of the Policies Procedures Manual (PPM) and the relevant guidelines described in UNDP/PROG/FIELD/150 of 30 September 1982, the primary purpose of the evaluation mission is:

- a) Assess the achievements of the project against the objectives, outputs and related targets. This will include a re-examination of the project design.
- b) Examine the extent to which the results/outputs produced by the project have contributed towards the building up of Government capability to:
 - outline and co-ordinate industrial activities, including the co-ordination of specialized institutes in the industrial sector;
 - promote the process of Kenyanization, leading to self-reliance in effective industrial planning and programming, project evaluation, and industrial promotion;
- c) Identify and assess the factors which facilitated the achievements of the project's objectives, as well as those factors that impeded the fulfillment of those objectives.

As part of the above tasks, the mission will specifically review if the approach utilized in the project has led to optimum results, or if another approach could have improved the results. This will include a review of:

1. Results of institution-building activities directed at up-grading the capabilities of the Department of Industries in the Ministry of Commerce and Industry.
 - a) Utilization of recommendations on methodological and organizational aspects of institution-building measures;
 - b) Efficiency of the implemented training activities (fellowships, on-the-job training, workshops);

- c) Assessment of the establishment of the Information and Documentation Service.
2. Utilization of documentary outputs of the project in relation to conversion of recommendations into practical results.
3. Applicability of the "Chapter on the Manufacturing Sector in the Fifth National Development Plan 1984-1988" as an instrument for industrial promotion and decision-making on industrial development issues.

Based on the assessment of overall achievements to date and identified issues, specify areas in which the Ministry needs further strengthening, if any, as well as the pre-conditions for providing and using additional technical assistance and the parameters for such assistance.

While a thorough review of the past in itself is very important, the evaluation is expected to also lead to detailed suggestions for further assistance to the strengthening of Kenya's industrial planning capacity.

III. Composition of the Mission

The mission will be composed of the following:

- One representative of the UNDP
- One representative of the Government of Kenya
- One representative of UNIDO

These representatives should not have been directly involved in design, appraisal or implementation of the project.

IV. Consultations in the Field

The mission will maintain close liaison with the UNDP Resident Representative in Nairobi, the concerned Government organizations, and the project's national and international staff.

The mission will primarily work in Nairobi; however, travel outside the capital may be required. The need for additional travel will be established through consultation upon arrival in Nairobi.

Although the mission could feel free to discuss with authorities concerned all matters relevant to its assignment, it is not authorized to make any commitments on behalf of UNDP or UNIDO.

V. Time-table and Report of the Mission

Insofar as required, the UNDP and UNIDO representatives will receive briefings at their respective headquarters. Upon arrival in Nairobi, the mission will be briefed by the UNDP Resident Representative and the SIDFA who will also provide the necessary substantive and administrative support. The mission will attempt to complete its work within 2-1/2 weeks, starting in Nairobi on . Upon completion of its work, it will be debriefed by the UNDP Resident Representative. At the end of the mission, the UNDP Resident Representative will organize a meeting involving senior Government officials where the mission will present its initial findings, conclusions and recommendations, and be ready to discuss these.

The mission will complete a preliminary draft of its report in Kenya and will leave behind a copy of initial findings, conclusions and recommendations with the Resident Representative.

The final version of the report will be submitted simultaneously to UNDP and UNIDO headquarters, which, in agreement, will transmit the report to the Government of Kenya through the Resident Representative.

Annex II

List of Persons Met and Institutions Contacted

Ministry of Commerce and Industry

Mr. Gituku

Permanent Secretary

Department of Industry

Mr. J.M. Hungu

Director, Department of
Industries

Mr. K.O. Atieno

Division Head, Industrial
Planning Division

Mr. S. Alambo

Division Head,
Industrial Promotion Division

Mr. N.G. Mwai

Chief Projects Officer

Mr. E.D. Muchene

Section Head Project Appraisal
Industrial Implementation
Division

Mr. J.E. Indetie

Section Head,
Industrial Administration
Industrial Administration
Division

Mr. C. Otiso Orino

Section Head,
Industrial Protection
Industrial Administration
Division

Mr. L. Omas

Section Head, Chemical
and Allied Industries,
Industrial Promotion Division

Mr. D.G. Mugwara

Section Head, Agro-Industries,
Industrial Promotion Division

Mr. R. Ovoko

Section Head, Industrial
Information Section,
Industrial Promotion Division

Mr. W.K. Kuru

Division Head, Metal and
Engineering Section,
Industrial Planning Division

Mr. D.O. Ongolo	Section Head, Small Scale and Cottage Industries Section, Industrial Planning Division
Mr. W. Ruku	Project Engineer, Metal and Engineering Section, Industrial Promotion Division
Mr. F.L. Periet	Planning Assistant, Industrial Extension Services, Industrial Planning Division
Mr. S. Mwanaongoro	Senior Agricultural Economist Planning and Programming Section, Industrial Planning Division
Mr. W. Wachira	Planning Assistant, Planning Division
Mr. R. Ovoko	Assistant Librarian, Industrial Information Section
Mr. W. K. Ndegwa	Project Engineer, Agro-Industries Section, Industrial Promotion Division
Mr. I. S. Odera	Project Officer (Eng.), Metals and Engineering Section Industrial Promotion Division
Mr. G. M. Munvao	Industrial Extension Officer, Chemical and Allied Industries Section, Industrial Promotion Division
Mr. B. Wamahu	Industrial Extension Officer, Industrial Extension Services Section, Industrial Planning Division

Ministry of Finance and Planning

Professor Ryan	Director of Planning
Mr. Dangana	Director, External Aide
Mr. M. Mitine	Head of Investment

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Ministry of Agriculture and Livestock Development

Mr. Karanja	Chief Development Planning Division
Mr. B. G. Magwaro	Head, Agro Industry
Mr. Kumeria	Head, Industrial Corps

Industrial and Commercial Development Corporation

Mr. J. O. N. Simba	Executive Director
Mr. C. Wagi	Director Public Relations
Mr. G. A. G. Kimaru	Chief, Industrial Management
Mr. D. O. Ongolo	Industrial Planning Division

Industrial Development Bank

Mr. F. N. Ondieki	Managing Director
Mr. M. P. Kunguru	Chief of Operations (Evaluation Team Member)
Mr. J. G. Chege	Projects Officer, Project Appraisal Section, Industrial Implementation Division
Mr. A. N. O. Muga	Economist, Project Monitoring and Follow-up Section, Industrial Implementation Division
Mr. Nguniiri	Projects Officer, Agro-Industries Section Industrial Promotion Division
Mr. Eluid N. Warvi	Projects Officer, Project Appraisal Section Industrial Implementation Division

Annex II

Kenya Association of Manufacturers

Mr. L. R. Ndungi

Chairman, also Chairman
Food Specialties,
Kenya Ltd.

Mr. S.M. Ita

Executive Director
(Evaluation Team Member)

Kenya Industrial Estates

Mr. A. M. Skikule

Operation Manager

UNIDO International Experts - project Ken/80/001

Mr. M. F. Husny

CTA, Expert on Agro-based
Industries

Mr. T. F. Abela

Senior Adviser/
Industrial Economist

Dr. P.M. Mukundan

Industrial Engineer

Mr. R. Singh

Senior Adviser
Building Materials Industries

UNDP

Mr. G. Pennachio

Resident Representative, UNDP

Mrs. M. Strojé-Wilkens

Deputy Resident Representative
UNDP

Mrs. C. Round-Turner

Programme Assistant
UNDP

Mr. P. Tamminen

Programme Assistant
JPO

Annex III

Sample Project Design

This illustration of an improved design indicates how the project could have been reformulated to more clearly show causal linkages between the Development Objective, Project Objective, and Outputs.

Development Objective

To increase industrial production and its contribution to the GDP (from what to what?) with primary emphasis focussing on shifting from import substitution to export orientation while maintaining domestic industrial growth at the optimum level (what is the optimum level?) (Fourth Development Plan).

Problem

Insufficient and ineffective government infrastructure for industrial planning, executing and coordination. To reach development objective, inter alia, the following is required: (i) an efficient management of the economy both from the planning and financial aspects; and (ii) an improved strategy for making industry more competitive by rationalizing tariffs, reviewing quantitative restriction on imports and gradually phasing out tariff incentives on new industries. Continued impetus is needed in the areas of industrial planning, policy formulation, technological development and application, project studies and appraisal and small scale industries development and training.

Development Hypothesis (justification)

Assisting the new Department of Industry to develop the indigeneous capacity to carry out some of its most crucial functions will help in ameliorating the infrastructural problem and provide effective assistance to the Government of Kenya in meeting its industrial development goals.

In addition, the approach will reinforce other Ministry efforts.

Project (immediate) Objective

To develop and strengthen the capability of the Department of Industry in devising strategy and policy options and implementing national industrialization decisions, including the planning, coordination and executing of industrial projects.

Project Hypothesis (approach)

The primary function of the project is institution-building with, in the early stages, a heavy emphasis on direct assistance (i.e., actual preparation of plans and analysis of projects by international experts) both as a service and a demonstration (on-the-job training) method. In the latter stages (or second phase) of the project, the role of the experts will become purely advisory and supporting as trained Kenyan officials take on full responsibility.

Based on this approach, the following outputs are expressed in terms of increased capacity in selected vital functions. An early task of the project manager will be to establish the needed capability in terms of type, quality and demand) and existing capability (baseline) to establish the output targets of the project. These targets, or sub-divisions thereof will provide the basis for work planning (milestones and/or major events), performance and end-of-project status indicators.

Outputs (i.e., increased capacity in:)

1. Long-term industrial planning and policy formulation
 - . development issues identified
 - . guidelines formulated for industrial protection, regulation and control
 - . guidelines formulated for investment incentives (tax policy, transfer of revenues, direct investment supports)
 - . industrial development plans (qualify) prepared for (specify) subsectors and geographical areas
 - . strategy and plans established for small-scale industry, including policy guidelines
 - . etc.
2. Project studies, development and appraisal
 - . (specify)
 - . etc.
3. Project promotion and industrial plan implementation
 - . project implementation programmes established for small-scale industry
 - . organizational procedures established for coordinating development plan and implementation
 - . detailed studies and commendations prepared for industrial project financing

- . joint ventures negotiated
- . follow-up procedures established on implementation of projects
- . plans and programmes established for industrial promotion in backward regions
- . etc.

4. Technological development and application

- . guidelines established for technology policy, technology adoption and development of appropriate technologies
- . etc.

5. Increasing productivity

- . plans, procedures and programmes established for extension services (in cooperation with KIRDI, etc.?)
- . increased productivity of industrial inputs and industrial enterprises (questionable)
- . etc.

6. Industrial training and entrepreneurial development

- . training programmes established for rural and small-scale entrepreneurs
- . training programmes established for technicians and technologists
- . training programmes established for engineers
- . training programmes established for technical teachers, etc.

7. Dissemination of industrial technological information

- . industrial information systems established for planning and implementation (specify)
- . etc.

Documentary Outputs DP/KEN/81/001

In accordance with information provided by the
Department of Industries

<u>Code No.</u>	<u>Item</u>	<u>Page</u>
1.	Institution Building (Organization/Procedures, Improving capabilities)	2
2.	Industrial Planning/Programming	4
3.	Guidelines/Manuals/Brochures	6
4.	Sectoral Reports (Whole Industry)	8
5.	Subsectoral Reports (Products)	
5.1.	Marketing Study/Demand Estimation/ Market share/opportunity study	10
5.2	Project Proposal	12
5.3	Project Profile	14
5.4	Pre-feasibility Study	14
5.5	Feasibility Study	17
5.6	Technical Report on Operation Issues	18

CODE NUMBER ONE (1) Institution Building (Organization/Procedures,
Improving Capabilities)

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin*</u>
1. A Guide for District Studies for Industrial Development	S. S. Ali	1983	P
2. Restructuring of Projects Implementation Division	T. Abela	1982	U
3. Recommendations for Card System to Progress Project	T. Abela	1982	U
4. Approval and Monitoring of Approved Industrial Projects	T. Abela	1985	P
5. Ministry of Industry Information Centre Procedure Manual	A. Mvatt	1982	P
6. A Brochure on Industrial Information	I. Umamboowe	1985	P
7. A Manual on the Management of Industrial Information	I. Umamboowe	1985	P
8. Proposal for Plan, Scope and Format of Directory	T. Abela	1983	P
9. Industrial Coordination Division - its operation, objectives and activities	S. S. Ali	1982	U
10. Work Plan for Industrial Coordination Division	T. Abela	1982	U
11. Guidelines for Promotion of Direct Foreign Investment (Reported also under Guidelines)	T. Abela	1983	P
12. Procedure for Manufacturing Under Bond	T. Abela	1983	P
13. Recommendations for Effective Investment Promotion	T. Abela	1982	P
14. Comments on Proposed Investment Advisory Centre	T. Abela	1982	U

*P indicates a planned report

U indicates a report prepared in response to a special request

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
15. Plan of Study of Mineral Base for Manufacturing Sector	S. S. Ali	1984	
16. Development of Industrial Information System Project Findings and Recommendations	A. Myatt	1982	P
17. Objectives in the Establishment of an Industrial Information Service	A. Myatt	1982	P
18. Future Development of a National Industrial Information Service	A. Myatt	1982	P
19. Questionnaire on Facilities Required for 2nd Research and Development Institution in Kenya	S.S. Gill	1985	
20. Proposal for re-organization of the Ministry of Industry and Establishment of Industrial Development Centre	V. S. Zerjawich	1981	U
21. Perspective and Prospective of Project Studies Division	S. S. Ali	1982	U
22. Perspective and Prospective of Industrial Planning Division	S. S. Ali	1982	U
23. Work Programme by Section of Industrial Planning Division	S. S. Ali	1982	U
24. Re-Organization of Department of Industries (upon merger of two Ministries)	T. Abela	1983	U
25. Electronic Standard and Calibration facilities	C.R. Subramanian	1982	U
26. Detailed Report on a Centre for Electronic Product Design Development and Training	C.R. Subramanian	1982	

CODE NUMBER TWO (2) Industrial Planning/Programming

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
1. Proposed Industrial Specific Strategy for Fifth Development Plan	S. S. Ali	1983	P
2. Proposed Industrial Policy and Strategy for Development Plan	S. S. Ali	1982	P
3. Private Foreign Investment in Kenya	T. Abela	1982	P
4. Report on Development of Motor Industry in Kenya Parts I and II	S. S. Gill	1982	P
5. Position Paper on Development of Iron and Steel Industry in Kenya	S. S. Gill	1982	P
6. Policy for Rationalization of Assembly of Motor Vehicles	T. Abela	1982	P
7. Public Sector Assistance Programme for Small Scale Industry	D.A. Basco-Zambelli	1982	P
8. Review of Industrial Promotion Activity of the Ministry of Commerce and Industry	T. Abela	1985	P
9. Private Participation in the Development of the Manufacturing Sector	T. Abela	1983	U
10. Practical Hints Concerning Foreign Collaboration Agreements	T. Abela	1984	U
11. Comments on "Policy towards Private Foreign Investment"	T. Abela	1982	U
12. Technical Co-operation among Developing Countries	S. S. Gill	1983	U

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
13. Policies and Measures for Domestic Industrial Processing of Raw Materials in Developing Countries: Kenya	J. Wachita, Husny, Magwaro Muragkrik Kabecha	1984	U
14. Technical Cooperation amongst Developing Countries Role and Potential in Industry	S. S. Gill	1983	
13. Problem of Industrial Planning and Research in Kenya	V.S. Zerjavich	1981	U
14. An approach to Rapid Industrial Development in Kenya	T. Abela	1981	U
15. Verticalization of Industry	T. Abela	1982	U
16. Comments on Draft Sessional Paper on Economic Prospect and Policies	T. Abela	1982	U
17. Development of Electronics in Kenya, ten year profile Human Resource base and Policies and Strategies	C.R.Subramanian	1983	P
18. Computers and Micro-electronics - Kenya	C.R.Subramanian	1982	P
20. Performance Review of the Manufacturing Sector Since Independence	S.S. Ali	1982	P
21. Policies and Strategies Regarding Foreign Investment	T. Abela	1982	U
22. Government Support to Steel Industry	P.M. Mukundan	1985	P
23. Development of Electronics in Kenya - Terminal Report	C.R.Subramanian	1983	P
24. Proposed Industry Specific Strategy for Small Development Plan	Husny	1984	U

CODE NUMBER THREE (3) Guidelines/Manuals/Brochures

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
1. Guidelines for the Promotion of Direct Foreign Investment	T. Abela	1983	P
2. Guidelines for Industrial Planners in M.C.I.	S.S. Ali	1985	P
3. Procedures for Manufacturing under Bond	T. Abela	1982-83	P
4. Review of Policies and Procedures to be followed for Promoting and attracting Private Sector (Local and Foreign Industry and to Facilitate Transfer of Technology	S.S. Ali	1982	P
5. Proposed Industrial Promotion Law, it's Objective, Scope and Structure	S.S. Ali	1982	P
6. Review of Proposed Industrial Registration Bill	T. Abela	1982	U
7. Kenya - the Gateway to Africa Guidelines to Investment	T. Abela	1981	U
8. A Brochure on Industrial Information	I. Mamboowe	1983	P
9. A Manual on the Management of Industrial Information	I. Mamboowe	1983	P
10. Guidelines for presenting Multilateral Investment Project	S. S. Gill	1983	
11. Issue of Import Licence for Second hand/reconditioned Industrial Machinery	S. S. Gill	1983	
12. A Plan of Study on Mineral Base of the Manufacturing Sector in Kenya	S. S. Ali	1984	U

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
13. Guidelines for Industrial Planners in M.C.I.	S. S. Ali	1983	P
14. A Guideline for District Studies for Industrial Development	S. S. Ali	1984	P
15. Guidelines for the Promotion of Direct Foreign Investment	T. Abela	1983	P

CODE NO. FOUR (4) Sectoral Reports (Whole Industry)

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
1. Report on Development of Motor Industry in Kenya	S.S. Gill	1982	
2. Past Trends of Development of Automobile Industry to Developing Countries	S.S. Gill	1982	
3. Potentials in Agriculture Livestock and Fisheries Phase I	Husny and T.F. Abela	1984	P
4. Potentials in Agriculture Livestock and Fisheries Phase II	Husny and D.G. Magwaro	1984	P
5. A Programme for Development of the Textile Industry	I.G. Gendia	1982	P
6. Small Scale Industries Sector - its Present Situation and Prospects for Development	D.A. Basco Zambelli	1982	P
7. Small Scale Industry Development	D.A. Basco Zambelli	1982	P
8. Draft Chapter on Manufactures Sector of Development Plan	S.S. Ali	1983	U
9. Development of Electronics in Kenya - Ten Year Profile, Human Resource Base, Policies and Strategies	C.R.Subramanian	1982	P
10. Performance Review of the Manufacturing Sector Since Independence	S.S. Ali	1982	
11. Metal and Engineering Industry	S. S. Gill	1983	
12. Development of the Electronic Industry in Kenya	ICME Consultants	1981	P

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
13. Assistance for the Development of the Pharmaceutical Industry	E. Meneses	1984	P
14. New Potentials in the Agricultural Sector for the Arid Regions of Kenya	Husny	1984	U
15. Development of Pulp and Paper Industry in Kenya	T. Jeyasinjham	1985	
16. Programme for the Development of the Textile Industry	A. Gendia	1982	P
17. Government Support to Steel Industry Part I	Dr. Muknardan	1984	P
19. Development of Foundry Sector in Kenya - Part I	S. S. Gill	1985	P

CODE NUMBER FIVE POINT ONE (5.1) Marketing Study/
Demand Estimation/Market Share

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
1. A Study and Evaluation of the Vegetable Oils and Animal Fats Industry in Kenya	J. Bulot	1984	P
2. Products of Pyrethrum	M.F. Husny	1983	U
3. Field Trips to Banana and Citrus Fruit Areas in Some Districts of Kenya Phase I	P.M. Mraguri Husny	1983	P
4. Field Trips to Banana and Citrus Fruit Areas in Some Districts of Kenya Phase II	P.M. Mraguri	1983	P
5. A New Look at the Edible Oil Crops, Cacao and Vanilla	Magwaro K.R. Bikweth Husny	1985	U
6. The Production of Canned and Candied Pears	Husny	1984	U
7. Production and Markets of the Enzyme Papain	Husny	1984	P
8. Strategies for Marketing of Horticultural Crops and Processed Products and Promotion of Industries Based Mainly on Horticultural Products	Muzaguri Husny	1983	P
9. Report on Strategy for the Local Marketing of Some Horticultural Products; and Possibilities For Export of Some Horticultural Produce, From Matathia Division, Kiambu District, Central Province	Husny	1983	U

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
11 Use of Water hyacinth for Manufacture of Paper on Small Scale	A.A. Rasheed	1982	P
12. Problems and Prospects of Oils and Fats Industry in Kenya	J. Bulot	1984	P
12. Manufacture of Low Density Polyethylene in Kenya	E.H. Batscha	1982	P
13. Study for Identification of Land for Eucalyptus Plantation and Charcoal Production	S.S. Gill	1983	
10. Identification, Promotion and Implementation of some Potential Agro-Industrial Projects in Kenya	A.A. Rasheed	1982	P

CODE NUMBER FIVE POINT TWO (5.2) Project Proposal

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
1. Machine Tool Project; The New Concept	S.S. Gill	1981	P
2. Report on the Balanites Tree	Husny	1983	U
3. Report on Banana Puree	Husny	1983	P
4. Possibilities of the Oil Palm Cacao and Vanilla Being New Agro Industries Potentials in Kenya	Husny	1984	U
5. Utilization of Horticultural Potentials in Establishing Small Scale Industries at Kangena, Marang's District Central Province	Husny and Magwaro	1984	U
6. Project on the Production of Papvrus Sheet Murals in Kenya	Husny	1984	P
7. Macademia, An Important Agro-Industries Potential in Kenya	Husny	1984	U
8. Project Proposals for an Agro-Industries Complex for Garisca-Bura Area, North Province, Kenya	Husny	1984	U
9. Agro-Industries Project for Investment	Husny	1984	U
10. Manufacture of Low Density Polythylene in Kenya	E.H. Batscha	1982	P
11. Assistance for the Development of the Pharmaceutical Industry	E. Menesses	1984	P
12. Proposal for Cold Rolling Mill Studv	S.S. Gill	1984	U

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
13. Identification of Land for Aforestation Scheme for Charcoal Product	S.S. Gill	1984	U
14. Position Paper for the Development of Iron and Steel Industry in Kenya	S. S. Gill	1982	
15. Proposal for development of Foundry Sector - Kenya	S. S. Gill		
16. Assistance for the Development of the Pharmaceutical Industry	E. Menesses	1984	P
17. Development of Pulp and Paper Industry in Kenya	T.Jevasinjham	1985	

CODE NUMBER FIVE POINT THREE (5.3) Project Profile

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
1. Industrial Profile for Establishing Economic Bees Wax and Honey Production Units in Kenya	I.K.Kigattira Husny	1985	P
2. Industrial Profile for a Lime Syrup Small Scale Industry	Husny	1984	P
3. Industrial Investment Opportunities in Kenya (27 Project Profiles)	T. Abela	1983	U
4. Project Profile for the Production of Paracetamol	E. Menesses	1984	P
5. Projects for Bilateral Aid from Italy on Rationalization of Textile Industry	T. Abela	1984	U
6. Projects for Bilateral Aid from Italy on Salt Production	T. Abela	1984	U
7. Projects for Bilateral Aid from Italy on Multi-purpose Fruit Processing	T. Abela	1984	U
8. Projects for Bilateral Aid from Italy on Processing of Paw-Paw into various Products	T. Abela	1984	U
9. Projects for Consideration under IDA Credit			
- Impact of Government Policy on Export Enterprises	T. Abela	1984	U
- Rationalization of Tariff as Instrument for Industrial Development	T. Abela	1984	U

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
- Export Promotion of Identified Goods in EEC and Middle East	T. Abela	1984	U
- Promotion of Shipbuilding Industry	T. Abela	1982	U
10. Government Support to Steel Industry - Part II	Dr. Muknadan	1984	P
11. Establishment of a Four Wheel Drive Jeep	S. S. Gill	1981	P
12. Development of a Foundry Sector in Kenya Part II	S. S. Gill	1985	P
13. Use of Water hyacinth for the Manufacture of Paper on a Small Scale	A.A. Rasheed	1982	U

CODE NUMBER FIVE POINT FOUR (5.4) Pre-Feasibility Study

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
1. Special Note on Harvest, Handling and Storage of Potatoes	Husny	1983	U
2. Final Report on Banana and Citrus Fruit Areas in some Districts of Kenya	Husny	1983	P
3. Tea Seeds as a Possible New Source of Edible Oil	Husny	1983	U
4. Report on Feasibility of:			
(i) Producing Fine Paper from Bagasse	T. Jevasinghan	1985	P
(ii) Hard Tissues from Sisal Waste	T. Jevasinghan	1985	P
(iii) Corrugated Medium from Straw	T. Jevasinghan	1985	P
(iv) Hand Made Paper from Cotton Waste	T. Jevasinghan	1985	P
5. Computer and Micro-Electronics - Kenya -	C. R. Sahun	1982	U
6. Wire - Rod Billet Study	P.M. Mukundan	1984	P
7. Proposal for Development of Foundry Sector in Kenya	P.M. Mukundan	1985	P
8. Pre-Feasibility Study on Production of Silicon Equipment	C.R.Subramanian	1982	P
9. Manufacture of Low Density Polyethylene in Kenya	E.H. Batsha	1982	P
10. Pre-feasibility Report on Production of Telecommunication Equipment	C.R. Subramanian	1983	P

CODE NUMBER FIVE POINT FIVE (5.5) Feasibility Study

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
1. Feasibility Study on the Production of Lime Juice and Lime Oil in the Coast Province of Kenya	Husny	1984	U
2. Feasibility Study on "The Production of Unsweetened Banana Puree, Taveta	T.F. Abela Husny	1984	P
3. Feasibility Study for Production of Machine	Hindustani Machine Tools		
4. Feasibility Study on Integrated Iron and Steel Mill	Austroplan	1984	P
5. Development of Foundry Section in Kenya Part II - Feasibility Study	P.M. Mukundan	1985	P
6. Feasibility Report for Establishment of Forge Shop in Kenya	S.S. Gill	1983	P
7. Development of the Pulp and Paper Industry in Kenya	T. Jevasinghan	1985	P

CODE NUMBER FIVE POINT SIX (5.6) Technical Report on Operation Issues

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
1. Review of Reports Pertaining to Development of Electronic Industry in Kenya	C.R. Subramanian	1982	P
2. Screening of Kenyan Flora for Essential Oils of Potential Economic Value			
3. Interim and Final Report on Mountex Ltd.	M. Shaboyek	1984	U
4. Detailed Report on a Centre for Electronic Product Design, Development and Training	C.R. Suhan	1982	P
5. Electronic Standards - Calibration Facilities, Suggestion to Augment Facilities at Kenya Bureau of Standards	C.R. Suhan	1982	U
6. Issue of Import Licences for Used Industrial Machinery	S.S. Gill	1983	U
7. Working Paper on the Definition of Small Scale Industry	S. S. Ali	1982	U
8. Financial Analysis of Integrated Iron and Steel Mill Project	T. Abela	1984	P
9. Evaluation of Tuna Fishing and Processing Project	T. Abela	1984	U
10. Appraisal of Project for Production of Natural Mineral Waste	T. Abela	1983	U
11. Evaluation of Instant Coffee Project	S. Hasskroen	1982	U
12. Evaluation of Castor Oil Project	S. Hasskroen	1982	U

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
13. Evaluation of Broiler Production and Feedmill	S. Hasskroen	1982	U
14. Report on Tokyo Investment Seminar	T. Abela	1983	U
15. Comments on Proposed Export Processing Zone	T. Abela	1982	U
17. Review of Foreign Collaboration Arguments			
(i) Pan African Paper Mills (Kenya) - Vasant Paper Mills, India	T. Abela	1983	P
(ii) Union de Jameries de Malundy (Belgium) and Investment Promotion Services (Kenya) (January)	T. Abela	1983	P
(iii) Kjalstrous (Sweden) - Dvnamic Engineering (Kenya)	T. Abela	1983	P
(iv) Equipment Corp. (India) - Kanatina Animal Feed Company (Kenya) (Turnkev Project - Supply and Separation of Feedmill)	T. Abela	1982	P
(v) Schmidt and Ravkowski (W. Germany) - Colour Packaging (Kenya) Plastic Packaging	T. Abela	1982	P
18. Management Agreement Of Melita Group	S. S. Ali		U
19. Selection of Fields of Industrial Training for UNIDO fellowship 1983/1984	S.S. Ali	1983	P

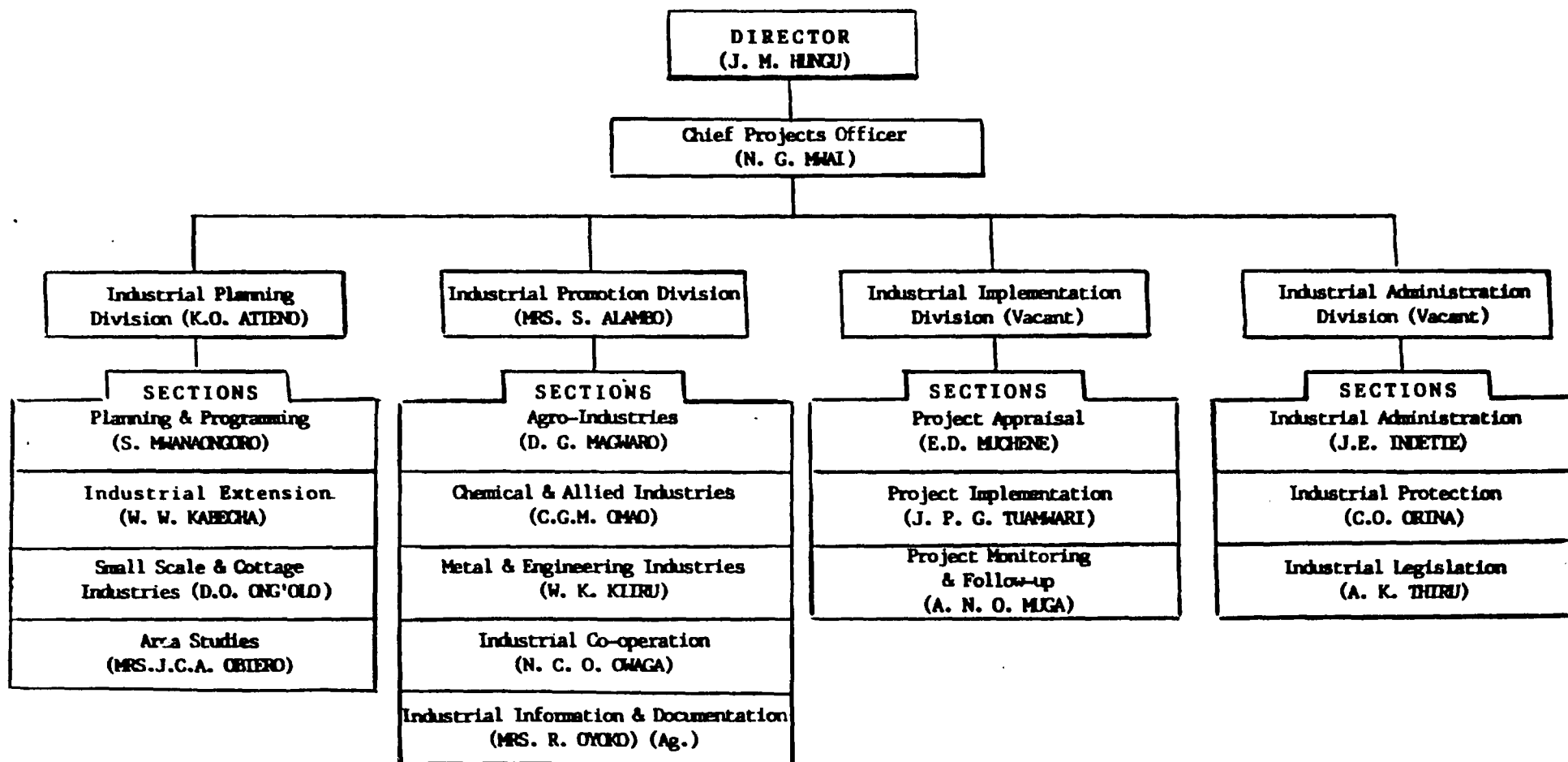
<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
20. In-Service Training Programme of Ministry for 1984	S.S. Ali	1983	P
21. Various Working Papers	V.S. Zejavich Co. - Workshop Director)	1982	P
22. Development of Industrial Estates (Lecture)	T. Abela	1982	U
23. Report on UNIDO/UNCTC Workshop on Promotion and Regulation of Direct Foreign Investment	T. Abela Co. (Workshop Director	1983	P
24. Report on UNIDO/Dept. of Industry Workshop on Regional Industrial Development	T. Abela (Co-Director)		
25. Review of Proposal for Establishment of Export Processing Zone	S.S. Ali	1983	U
26. Proposed Framework for Discussion at National Export Conference	S.S. Ali T. Abela	1984	U
27. New Format for undertaking Census of Manufacturing Establishments employing 50 plus Employees	S. S. Ali	1984	U
28. Briefs for:			
(i) Delegation to Pakistan			
(ii) Seminar on Industrial Policy in Sub-Saharan Africa Working Van			
(iii) International Seminar on Public Sector - Manufacturing Enterprise - India	S. S. Ali	1984	U

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
29. Social Impact of Industrial Development in Kenya	T. Abela	1982	U
30. The Role of the Department of Industry in Regional Industry Development - Establishment of Industrial Extension Services	T. Abela	1984	U
31. The Role of the Department of Industries in the Policy of District Forces for Rural Development	T. Abela	1985	U
32. The Role of the Ministry of Commerce and Industry in the Establishment of Small and Medium Towns	T. Abela	1985	
33. Questionnaire on Capacity Utilization, Import Liability, Export Potential for Industrial Studies under USAID	T. Abela	1984/85	U
34. Report of Delegation to Europe on manufacturing Under Bond	T. Abela	1985	U
35. Review of Draft UNIDO "Industrial Development Review - Kenya" (Country Studies Branch	T. Abela	1983	
36. Terms of Reference for Consulting Engineers for Eucalyptus Plantation/Charcoal for I.I.S. Mill	S.S. Gill	1981	
37. Recommendations for Economy on Fuel Oil Energy in Transport	S.S. Gill	1983	
38. Brief for Delegation to Yugoslavia on Foundry Projects	P.M. Mukundan	1985	U

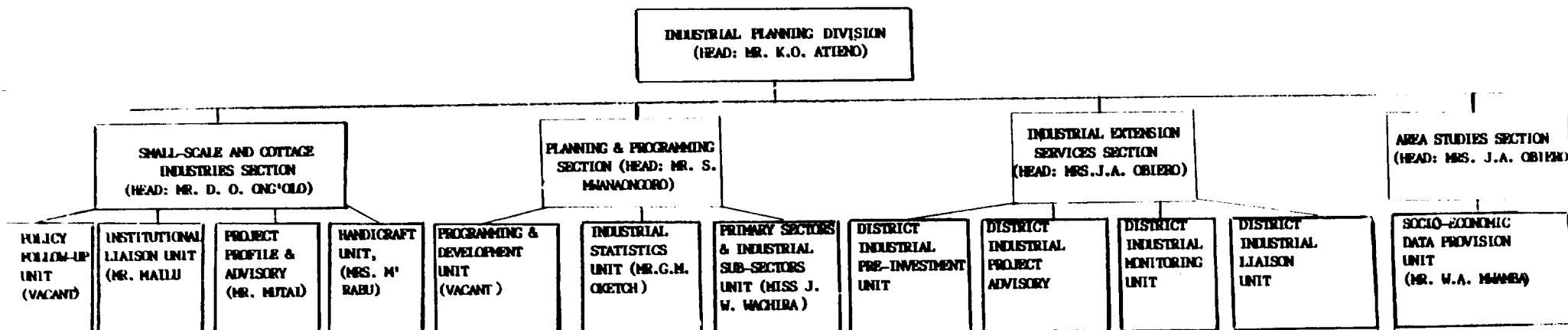
<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
39. Comments on Machine Tool and Iron and Steel Projects	P.;M. Mukundan	1985	U
40. Comments on Production Cost of Steel Billet Castings	P.M. Mukundan	1985	U
41. Comments on Customs Duty on Billets for Special Steel Mills Rod	P.M. Mukundan	1985	U
42. Technical Comments on Machine Tool Project	Dr. Mukundan	1985	P
43. Technical Comments on Production Cost of Steel Billet Castings	Dr. Mukundan	1985	U
44. Terms of Reference for Engineering Services for Eucalyptus Plantation and Charcoal Project	S. S. Gill	1981	
45. Brief for Kenya Team visiting Brazilian Iron and Steel Industry Utilities Charcoal - Blast Furnace - L. D. Technology	S. S. Gill		
46. Report on Comments on Draft Feasibility Reports on Integrated Iron and Steel Plant	S. S. Gill	1983	
47. - Expansion of Foundry - Kenya Railways Workshop	S. S. Gill	1983	
48. Brief Note on Foundry Projects for Yugoslavia on Collaboration	S. S. Gill	1985	P
49. Proposed Industrial Promotion Law	S. S. Ali	1982	P

<u>Document</u>	<u>Author</u>	<u>Year</u>	<u>Origin</u>
50. Review of Proposed Industrial Registration Bill	T. Abela	1983	U
51. Review of Foreign Collaboration Agreements (6 Agreements)	T. Abela	1982/83	P
52. Comments on Expansion Scheme Submitted by MS General Printers	S. S. Gill	1983	
53. Report on Morentex	Slabavek	1984	P
54. Review of Reports Pertaining to Development of Electronics in Kenya	C.R. Subramanian	1982	P
55. Chapter on Employment Committee Report	S. S. Ali	1983	U

MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF INDUSTRIES



DEPARTMENT OF INDUSTRIES
ORGANIZATION STRUCTURE OF THE INDUSTRIAL PLANNING DIVISION



4 - Existing officers
2 - Additional officers

6

NOTES ON MAN-POWER REQUIREMENTS

1. It is proposed that each of the three units in the Planning and Programming Section be manned by, at least, 2 officers at JG. 'P' or 'J'.
2. Additional officers required are:
 - (a) Three (3) Economists
 - (b) Two (2) Statisticians

NOTE

Each Industrial Extension officer will undertake duties in all the four units when operating in the district. Below is the list of Industrial Extension officers:

1. Mr. Aboko	JG.	'J'
2. Mr. Karuru	"	"
3. Mrs. Marwa	"	"
4. Miss Kaluhi	"	"
5. Mr. Nyamu	"	"
6. Mr. Musenbi	"	"
7. Mr. Keter	"	"
8. Mr. Ongiri	"	" (KTTI)
9. Mr. Osamba	"	" (KTTI)
10. Mr. Ombichi	"	" (KTTI)
11. Mr. Manyao	JG.	'P'
12. Miss Kariithi	"	"
13. Mr. Pertet	"	"

STUDY LEAVE

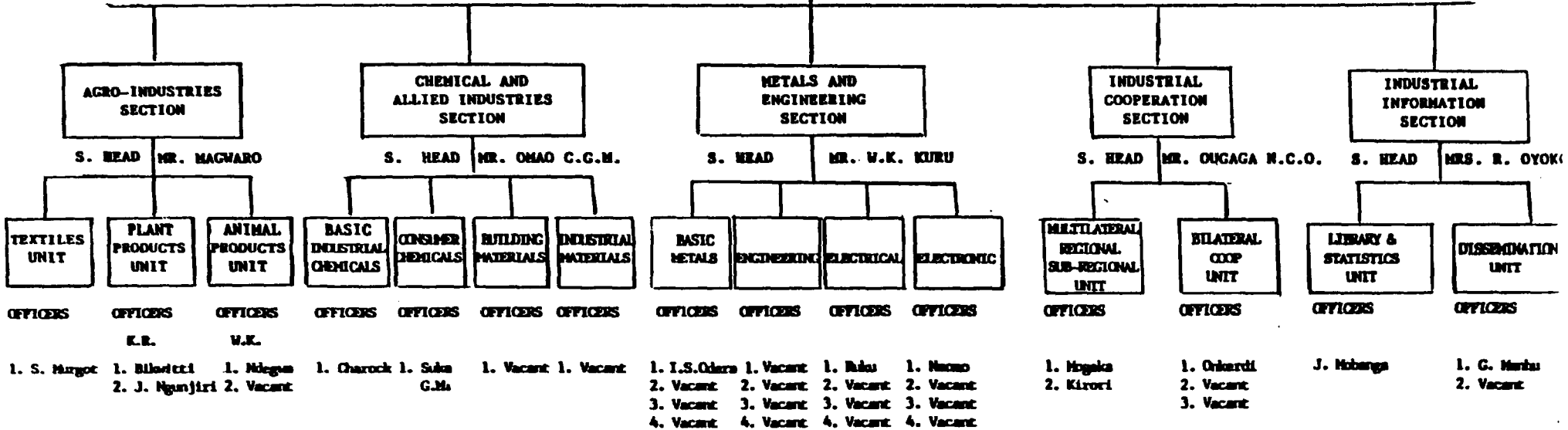
Mr. Batemo
M. A. (Econ.)

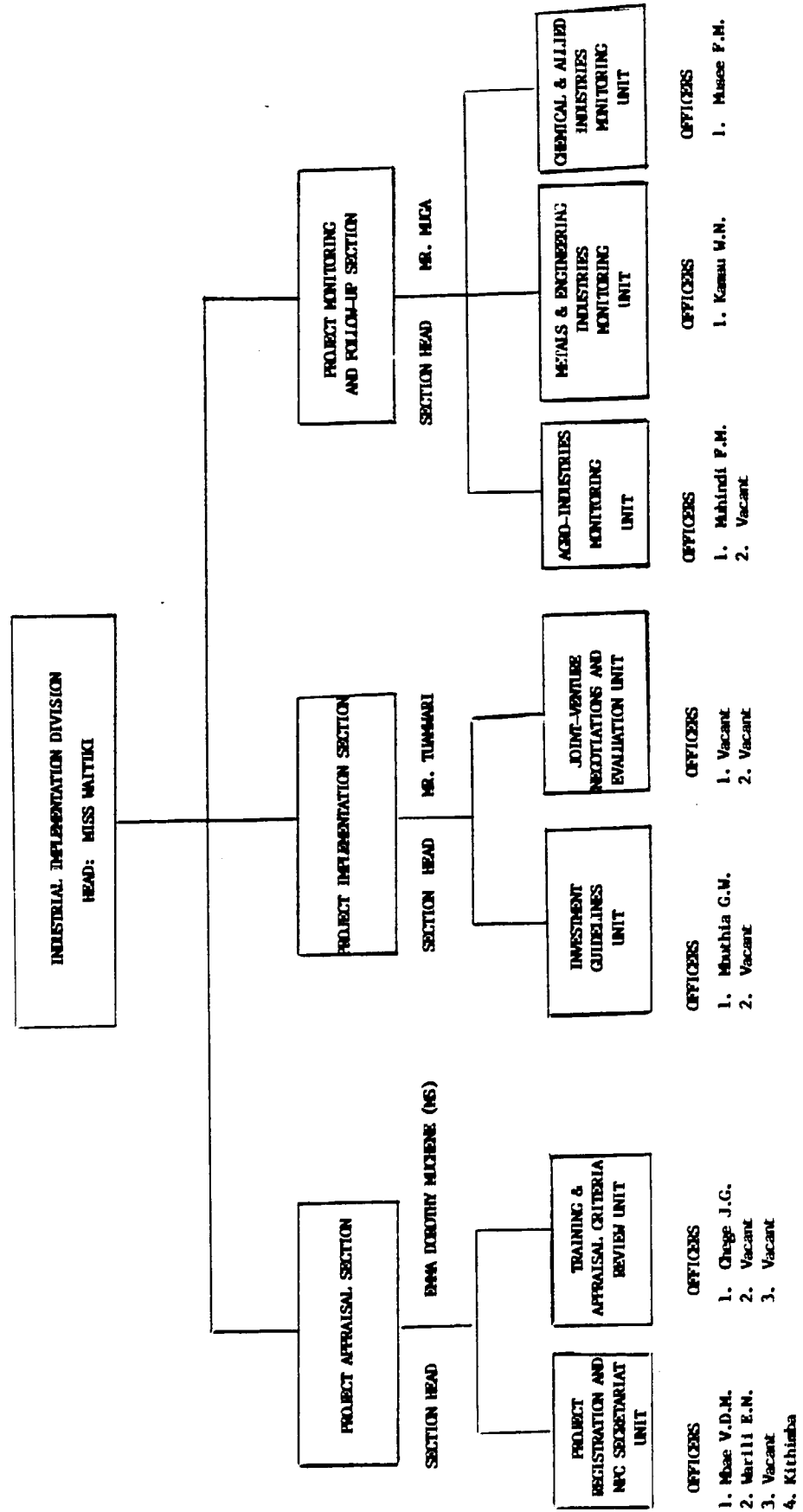
STUDY LEAVE

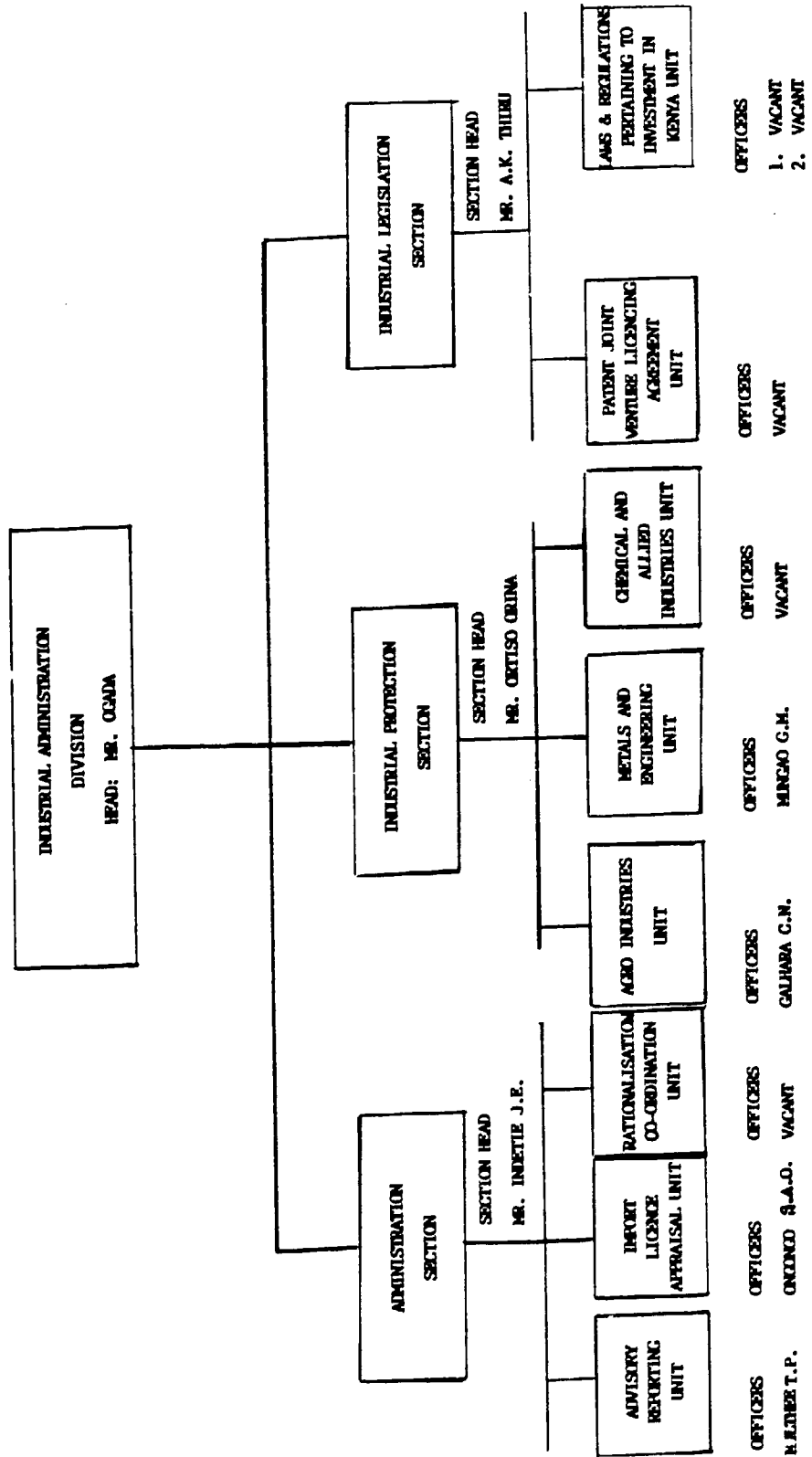
1. Miss Kabecha - MSc (Metallurgy)
2. Miss Dede - M.A. (Econ)

INDUSTRIAL PROMOTION DIVISION

Division Head: MRS. S. ALAMBO







TRAINING QUESTIONNAIRE

I. Background

1.1 Name of course/seminars etc:

Purpose: Degree Diploma Certificate

Please explain why this training has taken place?

1.3 Main subjects:

1.4 Training Institution

2. List any major organizational or other problems connected with training.

3. Efficiency of Training

In which degree has your knowledge and skills increased?

1 2 3 4 5 6 7

Cannot determine Not at all to a marginal extent to a fair extent to a sufficient extent to a large extent Mostly central to carry out all my tasks

4. Utilization of skills

To what extent are you able to use your newly acquired knowledge and skills in your current job.

1 2 3 4 5 6 7

Cannot determine Not at all to a marginal extent to a fair extent to a sufficient extent to a large extent Mostly central to carry out all my task