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A STUDY OF TRAINING NEEDS
OF
DEVELOPMENT FINANCE INSTITUTIONS (DFIs)
IN
SELECTED ENGLISH SPEAKING AFRICAN COUNTRIES

Sponsored by
United Nations Industrial Development Organization (UNIDO)
in association with

African Development Bank (ADB)
Association of African Development Finance Institutions (AADFI)
Economic Development Institute (EDI) of the World Bank

Terminal Report
by
S.P.S. Deol
Consultant

April 1983

ABBREVIATIONS USED

Egypt

DIB Development Industrial Bank
MIDB Misr Iran Development Bank
PEDAC The Principal Bank for Development and Agricultural
Credit

Ethiopia

AIDB Agricultural and Industrial Development Bank

Kenya

DFCK Development Finance Company of Kenya Ltd.
ICDC Industrial and Commercial Development Corporation
IDB Industrial Development Bank Ltd.

Liberia

ACDB Agricultural and Cooperative Development Bank
LBDI Liberian Bank for Development and Investment
NHSB National Housing and Savings Bank

Nigeria

NACB Nigerian Agricultural and Cooperative Bank Ltd.
NBCI Nigerian Bank of Commerce and Industry
NIDB Nigerian Industrial Development Bank Ltd.
NNDC New Nigerian Development Company Ltd.

Sudan

ABS Agricultural Bank of Sudan
IBS Industrial Bank of Sudan
SDC Sudan Development Corporation

Tanzania

TDFL Tanganyika Development Finance Company Ltd.
TIB Tanzania Investment Bank

Uganda

UDB Uganda Development Bank

Zambia

DBZ	Development Bank of Zambia
RDCZ	Rural Development Corporation of Zambia Ltd.
ZADB	Zambia Agricultural Development Bank

Zimbabwe

DFC	Development Finance Company
IDC	Industrial Development Corporation

Regional Institutions

BADEA	Banque Arabe pour le Developpment Economique en Afrique (Arab Bank for Economic Development in Africa)
EADB	East African Development Bank

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SUMMARY OF FINDINGS AND RECOMMENDATIONS

- The evaluation of Abidjan development banking programs was conducted at two levels, viz. management of DFIs and participants who had attended these programs. The management reaction was highly satisfying; it was, however, suggested that more time in these programs should be devoted to sessions on project identification and development and follow-up and supervision. This suggestion is aimed at developing institutional capabilities for project promotion work and portfolio management (para. 2.3).
- While acknowledging the usefulness of Abidjan programs, participants made some valuable practical suggestions regarding subject coverage, reading materials, training methodology, use of guest lecturers, field workshops, selection procedures, duration, etc. (para. 2.4).
- Out of 27 institutions visited during the field survey, only 4 have well established internal training programs for its staff. The lack of internal training facilities in Africa has clear implications for sub-regional and regional training (para. 3.130.1). Seven DFIs are likely to commence internal training shortly and they require external assistance for training some internal trainers and development of teaching materials, mainly case studies (para. 4.4).
- The assessed training needs mainly pertain to middle-senior operating professionals and have been classified into 14 broad segments (including training of trainers and specialized training needs of DFIs financing agricultural and rural development projects) (para. 3.131).
- It was found that there were very few top-management training opportunities in Africa and that a majority of the chief executives interviewed would like to attend short-term high level policy seminars. The identified top management training needs fall into 5 broad areas: policy formulation, resources, clients, new directions and support systems (paras. 3.132-3.133).
- Senior operating managers, who are well-conversant with technical aspects of development banking, require training in policy and managerial issues having a bearing on institution-building activities (para. 3.134).
- Many DFIs in Africa have expatriate advisers. It was found that these advisers do not participate in institution-building activities outside their area of expertise. An ability to train local officers in addition to basic specialization should become an important criterion in the selection process of these advisers (para. 4.6).
- Many institutions in Africa attach great importance to overseas higher education in economics, finance and management for their staff in view

of the lack of comparable educational opportunities in many of these countries. While we have to draw a distinction between education and post-experience training, it is important that the existing and the proposed programs should have a core "educational" component so as to initiate a self-learning process on the part of the trainees. Increased use of case studies will be helpful in this regard (para. 4.8).

- The delivery system outlined in the report takes note of strategic operational priorities of DFIs (para. 5.2), typical features of Sub-Saharan Africa (para. 5.3). The key considerations in this connection are institution-building activities, training of teams in national and sub-regional programs and strengthening of internal training systems (para. 5.4).
- A new design for the Development Banking Program at Abidjan has been proposed. The program duration has been marginally increased to 8 weeks, but it is suggested that third country field workshop be dropped. This will result in substantial cost-saving. About 31% of the total program time has been allocated for project identification and project follow-up/supervision sessions. Project appraisal component still gets 48% of the program time (para. 5.6).
- It is suggested that a new program on project follow-up and supervision should be developed in association with NIDB (Lagos, Nigeria), which has excellent training facilities and resources (para. 5.7).
- In order to strengthen internal training capabilities of DFIs, at least 2 training of trainers programs should be offered during the next 3 years (para. 5.8).
- At least one high-level policy seminar (preferably bi-lingual) for the DFI chief executives should be organized either at Washington, D.C. or Abidjan during FY 1985 to reinforce the ongoing institution development efforts (para 5.9).
- Senior DFI managers who require training in policy and managerial issues may be allowed to participate in ADFIAP's executive development programs, starting 1984. This will not only foster greater cooperation between AADFI and ADFIAP, but expose a number of senior DFI managers to the policies and practices of Asian DFIs (para. 5.10).
- There is a need to offer an agricultural finance/rural development projects course every alternate year (para. 5.11).
- In order to facilitate decentralization of Development Banking Training in Africa, it is proposed that sub-regional/national programs should be initiated in Kenya (Nairobi), Zambia (Lusaka) and Zimbabwe (Harare) (para. 5.12).

- There is an urgent need for AADFI-ADFIAP to evolve a coordinated approach towards development banking training and interchange of professional experiences between Asian and African DFIs (para. 5.13).

PART I

INTRODUCTION

Background

1.1 The Association of African Development Finance Institutions (AADFI), the Training Center of the African Development Bank, and the Economic Development Institute (EDI) of the World Bank have been involved since 1979 in training managers and professional staff of development financing institutions (DFIs) in Africa. In pursuance of a Memorandum of Understanding signed by AADFI, ADB-TC and EDI in December 1978 two courses in development banking were offered at Abidjan each year, one of them in English and the other in French. Although co-directors for these courses were provided by ADB-TC and EDI, course administration and implementation rested entirely with ADB-TC. The duration of these courses has varied over the years, between 7 and 9 weeks. The last of the six courses in English as per the original plan took place in July-August 1982 and, pending creation of new training programs for DFIs in Africa for another 3 years, i.e. 1984-86, it was repeated during early 1983 roughly along the pattern established in the past. At the initiative of the concerned institutions - AADFI, ADB and EDI - UNIDO agreed to finance a comprehensive study of Anglophone and Francophone African DFIs covering a fairly representative sample in order to determine the training needs and develop new programs in response to those needs. It was also expected that findings of these studies would enable AADFI to mobilize technical and financial support from national and international institutions interested in DFI training in Africa.

Objectives

- 1.2 The objectives of the study were identified as under:
- (i) To evaluate the effectiveness of training courses conducted by AADFI-ADB-EDI at Abidjan during 1979-1982;
 - (ii) To assess the training needs of each DFI included in the study for a period of next three years, i.e. 1984-86;
 - (iii) To understand the present training policies of DFIs and to prepare an inventory of in-house training facilities/support systems with a view to suggesting specific measures to enhance internal training capabilities; and
 - (iv) To recommend specific action plans for designing new training programs as a response to the assessed training needs.

Outcome

- 1.3 The main outcomes (end results) of this study are:

- (i) An evaluation of the Abidjan course containing views of management of DFIs and professional staff who had actually participated in these courses (Part II).
- (ii) An assessment of training needs at microscopic, sub-regional and regional levels (Part III);
- (iii) An account of present training policies, training arrangements, and in-house training capabilities (Part IV); and
- (iv) A set of recommendations concerning redesigning the existing program and developing new programs/activities at national, sub-regional and regional levels through increased inter-institutional cooperation and greater local initiative (Part V).

Approach and Methodology

1.4 Two experts were nominated by AADFI to conduct the study separately in English and French speaking countries. They were selected on the basis of their long experience in the field of training and understanding of the operational aspects of development banking. Dr. Moncef Cheikh-Rouhou, Director, Institute de Financement de Developpement (IFID), Tunis (Tunisia) was entrusted the responsibility of Francophone countries and Mr. S.P.S. Deol, consultant and formerly Director of Development Banking Center, New Delhi (India), was asked to cover Anglophone countries. Mr. Deol was also a member of the expert team, appointed by UNIDO, at the request of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), Manila, which conducted a similar study in 1981.

1.5 This report covers DFIs in selected English speaking countries. Mr. Deol visited 22 national DFIs located in 9 countries during January 22 - February 24, 1983 (Annex 1). These are: DIB, MIDB, PEDAC (Egypt); AIDB (Ethiopia); DFCK, ICDC, IDB (Kenya); NACB, NBCI, NIDB, NNDC (Nigeria); ABS, IBS, SDC (Sudan); TDFL, TIB (Tanzania); UDB (Uganda); DBZ, RDCZ, ZADB (Zambia); and DFC, IDC (Zimbabwe). Besides, visits were paid to two regional institutions, namely BADEA and EADB, in order to explore the possibility of their association with future AADFI programs. Three DFIs in Liberia (ACDB, LDBI, NHSB) were visited by Mr. L.W. Thorson, EDI staff member, during early March 1983, and his findings are included in this report.

1.6 All these institutions were informed of the visit by the AADFI Secretariat and consequently, the assistance and courtesies extended to the expert were indeed generous in terms of coverage.

1.7 The approach and methodology was principally determined by the availability of time in the field. Considering that only around 18 working days (excluding travel time and weekends) were available for the field study, less than one day was spent in each DFI. The methods of inquiry may be divided into following broad categories:

- (1) Contacts and discussions with Chairman of AADFI, Secretary-General and officials of ADB-TC during the preparatory visit of the experts to Abidjan during December 13 - 17, 1982.
- (2) Contact and discussions with high level officials of the World Bank in the concerned Regions in Washington, D.C. during January 10 - 22, 1983.
- (3) Interviews with high level DFI officials (chief executives, near top managers, managers responsible for training and staff development) to discuss training policies, present training arrangements, training needs, plans and strategies to meet those needs. A list of these officials is attached (Annex 2).
- (4) Interviews with a number of participants of Abidjan courses during 1981-82 to assess the effectiveness of these courses from user's viewpoint. As the discussions with these participants took place in an unstructured and informal atmosphere to obtain free and uninhibited reactions, their names are not being mentioned in the report. Most of the participants desired that their names should not be disclosed in any official document.
- (5) Data collection through a pre-designed questionnaire, developed in consultation with AADFI Secretariat in December 1982. The same questionnaire has been used for study in Francophone countries.
- (6) Visits to training facilities of DFIs, wherever such facilities exist, and discussions with the training administrators and their associates. In many cases, we also met with officials from operations.
- (7) In some cases meetings were arranged with officials of banks/institutions/government not specifically included in the report to have a feel of the local operating environment. In two countries, facilities of local training institutions were also seen to have an idea of the local training facilities. This had to be done on a restricted scale due to extreme paucity of time.

PART II

AN EVALUATION OF THE EXISTING DEVELOPMENT BANKING PROGRAMS

2.1 An important outcome of this study is a post-training (follow-up) evaluation of the development banking programs conducted by AADFI-ADB-EDI at Abidjan during the past 3 years. The evaluation was carried out at two levels, namely management of beneficiary DFIs (through discussions with chief executives, their deputies, senior officials in charge of personnel and/or training functions) and participants who had attended these programs. The identity of these participants is not being disclosed as the idea was to obtain their free and frank opinion about the effectiveness of programs in a relaxed and informal setting. The outcome, as presented here, justifies the usefulness of this approach.

2.2 As far as management reaction is concerned, we can say that the programs were extremely valuable in terms of exposing a number of middle-senior officers to the techniques of development banking and that the management could easily perceive improvements in knowledge and skill levels of these officers. In many cases, it was pointed out, this training resulted in a greater amount of confidence in handling the more complex operational responsibilities and inculcation of a more positive attitude towards promotional role of the development banks. One of the major problems in post-training evaluation is that it is difficult to establish a cause-effect relationship in the sense that these improvements could have taken place (say, on a different time scale) even without these programs. It is difficult to say whether or not this hypothesis is valid, but it has clear implications for the very purpose of training. Is it possible to train people and/or change their behaviors? One can only go by the circumstantial evidence. The management believes that there was an improvement in the job performance after their officers had received this training. The officers feel that they gained knowledge of certain techniques and assumptions underlying the philosophy of development banking because they were chosen to attend these courses. And it was interesting to note that there was not even one opinion which conveyed a different impression. On the contrary, there was a concern to make this training more meaningful from the operational point of view. This was an encouraging feedback inasmuch as officers had spent as many as 2 to 3 years on the job after receiving this training.

2.3 The management reaction is summarized below:

- A program of this kind is extremely useful and should be conducted at least twice a year. The training programs offered by many other overseas institutions/universities, though useful in many ways, are not specific to the operations of development banks as the one at Abidjan. This kind of foundation training in project appraisal and supervision is essential for every middle/senior officer and therefore the request for more participation opportunities.

- Many institutions wanted more time to be devoted to follow-up and supervision sessions in view of the post-sanction problems faced by almost every DFI in Africa. In view of the fact that development banking training has been traditionally appraisal oriented, institutions have by and large attained a level of expertise in this area, though there is scope for greater sophistication in economic, technical and market aspects. Since officers in DFIs have never been exposed to training in post-sanction aspects, they are less equipped to handle restructuring of ailing enterprises, information management, loan rescheduling, interventions at the policy formulation level (role as nominee directors), wilful defaulters, among others. What the institutions are really looking for is not a segmented treatment of certain post-sanction topics, but the framework of an institutional approach including installation of a good information system (just as there is established appraisal system). The increase in the staff members in follow-up units has not helped the institutions to solve their problems. However, some DFIs which introduced a systematic approach, i.e. established a monitoring system, have done better even with less staff. The chief executives, therefore, feel that besides reorienting the basic thrust of Abidjan program, there is a need for a specialized follow-up and supervision program as a measure of practical assistance to DFIs. This suggestion deserves highest consideration if the capability of DFIs to handle post-sanction problems is to be appreciably enhanced.
- Some DFIs are also concerned about the lack of suitable management training to senior staff members. Although heavy investment has been made in the past to enable many young professionals to attend MBA courses (mostly in American universities), the present resources constraint is making further assistance for the purpose extremely difficult. A question was therefore posed whether EDI could take the initiative to design a course aimed at relating management theories to various phases of the project cycle. A perfect answer to the question is not possible, but perhaps a closer look at the executive development program (EDP) conducted by ADFLAP and its applicability to the African setting should be useful for making a beginning in this direction.
- Another area, according to DFI managements, which has received relatively less attention in the program is project identification and preparation. Another related aspect is entrepreneur development. The chief executives believe that the promotional role of DFIs would continue to occupy a secondary position in the overall scheme of operational priorities unless steps are initiated to train officers in these two areas. We feel that efforts in this area should go beyond training and should include a mechanism for exchange of information and experiences amongst

African DFIs and greater cooperation among African and Asian DFIs.

2.4 The discussions with the former participants touched upon several specific aspects of the programs conducted during the last 3 years.

Subject Coverage:

- (a) The present coverage of project identification and preparation provides useful insights, but in order to transform this knowledge to the operational realities the participants require a systematic framework. An experimental workshop will be highly useful to locate data sources, definition of project ideas and reshaping. The participants would appreciate it if this training can help them to evolve a set of checklists, adapted to their own environment, which may be used to facilitate project promotion work in DFIs.
- (b) There was a sense of satisfaction with the extensive coverage given to financial and economic aspects. One of the participants suggested that EDI should try to prepare a more compact training package on economic analysis on the lines of TVM package. Many other participants supported this idea and felt that there was a scope for improving the "presentational" part of economic analysis.
- (c) About the market analysis, opinions were sharply divided. Some participants wanted more ("this aspect is important and is not satisfactorily dealt with in appraisal notes at present") while others asked for less ("this is a market specialist's job"). However, there was an agreement that market aspects should be discussed at the pre-appraisal stage. This suggestion may not be universally acceptable, but it makes a lot of practical sense. The emphasis on market analysis may, however, differ in various segments of the course depending on the following questions:
 - What market analysis techniques are available and how to use them? (Pre-appraisal stage)
 - How to assess market demand forecasts prepared by project promoters/consultants? (Appraisal stage)
 - What assistance can we provide to the assisted enterprises to overcome marketing problems? (Operational stage)

These distinctions are important and would make presentations on the subject more relevant from the practical viewpoint.

- (d) The present emphasis on technical aspects is somewhat marginal and many participants agreed that it should remain so due to the fact that non-engineers were not interested in more extensive discussions on the subject. While there is some logic in this, even non-engineers need to gain appreciation of matters like project location, contracting, equipment supply, raw materials and utilities, quality control and plant maintenance.
- (e) Most of the participants showed dissatisfaction with the treatment of management appraisal. Most of them would prefer some practical guidelines which could be used in the appraisal process.
- (f) Without any exception, the participants felt that the programs had attached much less importance to post-sanction aspects than required under the present operational realities. Only a few participants believed that their institutions were doing a good job in this area.

Materials:

- (a) The participants were very happy with the reading materials and none of them wished that the quantum be reduced. However, not all participants were pleased with the manner of distribution. Overloading at certain times had a negative impact.
- (b) The program sponsors should make a clear distinction between compulsory and optional readings. When too many papers were distributed for a particular topic participants did not read any of them due to lack of time. Compulsory reading, one or two papers per topic, should be distributed in the class by the lecturer as a "home" assignment. Optional readings may be distributed in packages at suitable intervals. This approach, it was felt, will help raise the level of discussion in the classroom.
- (c) A convincing evidence of the post-training utility of program materials was seen during the field visit. At least half the participants kept the materials in files/binders in their offices and consulted them from time to time. Many of them had shared these papers with their other colleagues and/or training units.

Methodology:

- (a) There was a feeling that training methodology was heavily oriented towards lecture method. The preference was clearly for more case studies, small group discussions, and experience sharing.

- (b) The course director(s) generally showed great sensitivity to participants' needs and used participatory teaching methods.

Discussion Leaders

The participants were not very pleased with the performance of guest lecturers. Not being fully involved in the course implementation, they tended to be repetitive and less sensitive to training needs of the participants. In some cases, highly personalized experiences of these lecturers tended to be "anecdotal" and consequently there was little learning value. The participants highly recommended careful selection of outside speakers, proper briefing and tactful interventions by the course director to avoid the "drift."

Field Workshops:

Almost all the participants were highly critical of field workshops. Sierra Leone was often quoted as an example. Considering that much money was spent on air travel and subsistence, the outcome was of doubtful utility in most of the cases. The participants would like to see a better use of the resources invested in these field workshops.

Course Administration:

The participants were highly pleased with the overall course administration and were full of praise for the very helpful attitude of the course director(s) and the support staff.

Venue:

Many participants mentioned that they had problems outside the classroom due to their inability to speak or understand French. Also during some of the factory visits interpretation facilities were not available and therefore the learning impact of these visits was adversely affected.

Selection of Participants:

Some participants felt that the level of expertise of trainees was markedly different. This posed many problems in the sense that much valuable time was spent on clarifying some very basic issues/techniques/concepts. It was suggested that the Selection Committee should strongly enforce admission criteria to reach a common level of understanding.

Duration:

Excepting one or two participants, there was an agreement that a duration of 8 weeks for a course like this was most appropriate. This duration should be sufficient to provide more time to pre-appraisal and post-appraisal aspects, and a comprehensive case study workshop at the end of the course.

2.5 An attempt has been made in Part V of the report to integrate these diverse expectations with a view to making existing and proposed programs operationally more useful.

PART III

AN ASSESSMENT OF TRAINING NEEDS OF DFIs

3.1 In Part III of this report an attempt has been made to present an overview of the training needs of DFIs visited during the field survey and based on this some broad generalizations have been arrived at regarding training needs of DFIs in the English speaking African countries. All these DFIs, with the exception of Egypt, Liberia and Nigeria are located in East Africa. Reports on individual DFIs provide an account of their management structure, nature of activities, current operational priorities, levels of skills of existing professional staff and most preferred areas of staff development. The assessment of training needs has been made based on discussions with senior officials, studies conducted by the institutions from time to time, operational strategies and levels of present and desired staff expertise. An inventory of learning needs is presented at the end of this part of the report (paragraphs 3.130 - 3.133).

Development Industrial Bank (DIB)

3.2 DIB was established by decree of Minister of Finance in 1975 and commenced operations in 1976. Its paid-in capital of LE 20 million is owned entirely by the Central Bank of Egypt (CBE). DIB is subject to control and supervision, under Egyptian banking law, by CBE. As a public sector bank, DIB has to operate within an institutional framework which prevents direct recruitment at senior levels at competitive salaries. The head office of the bank is located in Cairo with branch offices at Cairo, Alexandria and Tanta. It is proposed to expand the branch network by two more branches shortly.

3.3 DIB is managed by a Board of Directors consisting of seven directors (fixed by law) including five internal directors, viz. Chairman, Vice-Chairman, and three General Managers. The Board has an advisory committee of seven members with wide experience in trade, industry and finance. This committee advises the Board on matters concerning policy formulation and constitutes an important link with trade and industry.

3.4 DIB's objectives and operational policies were comprehensively stated in the policy statement approved by the Board in January 1980. The principal objective of DIB is the promotion of industrial and 27 related activities in Egypt through financial assistance for the establishment of essentially industrial new enterprises and for modernization, expansion and improvement of existing ones. In this connection priority is attached to cooperative enterprises, including artisans and small-scale industries. An important operating objective is increasing the rate of industrial capacity utilization. In line with Government's economic policies, DIB has endeavored to spread its resources among different regions and industrial sub-sectors. Project assistance is principally determined by financial and economic rates of return. DIB's financing takes the form of loans (short and long both in local and foreign currencies), direct participation in equity and guarantees.

Norms of assistance and financial policies of the bank have been well articulated. DIB has also been playing an important role in promoting new industrial prospects and it proposes to intensify its efforts to further strengthen this role.

3.5 An important internal objective is institution-building and staff development. In this regard DIB has received valuable assistance from USAID, OECD, and the World Bank. Although the top-management has remained virtually unchanged since its inception, DIB has faced the problem of high staff turnover due to opportunities abroad and high salary scales offered by the private sector banks in Egypt. This problem, though not fully overcome, has been considerably minimized through intensive training both within and outside the organization and increasing bonus payments to the maximum level. The organization structure is being revised with the help of some well-known consultancy companies and many new positions have been created with a view to expanding and diversifying DIB's activities. These developments are bound to have a favorable and motivating influence on the existing staff.

3.6 The number of staff which stood at 344 (including about 200 professionals) as of December 31, 1980 increased to 411 (including around 220 professionals) as of June 30, 1981. More additions in the professional staff are on the way. This pattern of organizational growth has necessitated strengthening of internal training set-up, which is already well-equipped. The training policy and arrangements for staff development are examined separately in paragraphs 4.10 - 4.15.

3.7 Based on its operational priorities, DIB attaches importance to training its staff in the following areas:

- (i) Project Follow-up and Supervision
- (ii) Identification and Promotion of New Projects (Market and Feasibility Studies)
- (iii) Resource Mobilization (Internal and External)
- (iv) Diversification of DIB's Activities
- (v) Financing of SSI
- (vi) General Management (particularly Communication)
- (vii) Training of Trainers

Misr Iran Development Bank (MIDB)

3.8 MIDB was established in 1975 as an Egyptian-Iranian joint venture under the provisions of Law 43 of 1974 aimed at encouraging foreign investments, principally to promote the inflow of new technology. Law 43 (as amended) companies enjoy tax and other incentives and are free from many

restrictions generally imposed on state-owned corporations. Initially, the share capital was subscribed by the Egyptian and the Iranian promoters on a 50:50 basis but the subsequent increase in the paid-in capital has changed this ratio to 75:25 in favor of the Egyptian owners (namely, Bank of Alexandria and Misr Insurance Company). Although the Egyptian share-holders are public sector institutions, MIDB is established and managed as a private financial institution in view of the provisions of Law 43.

3.9 MIDB is managed by a Board of Directors consisting of 8 directors, of which 6 are Egyptian (including the Chairman and Managing Director, who is the chief executive officer). The top management team comprises a general manager and five assistant general managers. While the general manager directly supervises investment activities, other sectors like banking, finance, legal affairs, administration and data processing center are under the charge of assistant general managers. The Board has constituted a Management Committee which approves all long-term loans and equity investments. The management team is well-experienced and commands great respect in the banking community for its dynamism and specialization in investment banking.

3.10 The organization structure of MIDB reveals some interesting innovations in development banking, such as combination of operating and staff functions (projects & research and investment promotion & follow-up). A significant addition in support units is that of a data processing center which is divided into information systems department and systems and programs planning department. During 1982 the bank moved into an impressive 2nd story building which houses MIDE's new headquarters. This has helped to ease pressure on space experienced in the old building.

3.11 As a development and investment bank, the activities of MIDB may be divided into the following broad categories:*

- (i) Long-term loans
- (ii) Participation in equity (direct)
- (iii) Co-financing and loan syndication
- (iv) Project promotion (investment surveys and feasibility studies)
- (v) Short-term facilities to assisted projects
- (vi) Mobilization of internal and external resources

* It is important to note that all MIDB operations are in foreign currency (U.S. dollar).

- (vii) Close supervision of assisted projects during implementation and operation besides active participation in management through board membership.

3.12 An important role played by MIDB (which has a significant promotional value) has been the rotation of its investment portfolio to activate the local capital market. Equally notable is the bank's contribution in the area of project planning and preparation (pre-appraisal stage) which tends to receive less attention in many DFIs.

3.13 MIDB's operational priorities have undergone some changes consistent with its own maturity as a progressive investment institution and shifts in the national economic environment, but the emphasis seems to be on financing more of capital goods and construction projects in the private sector. Norms of project assistance are well-defined and the main consideration seems to be the long-term financial and economic viability of the project. Supervision activities, which evolved with the expansion of project assistance, presently receive as much attention as project appraisal. In fact, the sophistication of follow-up information system within MIDB deserves attention of other DFIs in the region.

3.14 Consistent with basic objectives and operating strategies, MIDB seeks staff development through training in the following key areas:

- (i) Feasibility studies, with particular reference to marketing analysis in the face of inadequate external data sources
- (ii) Techniques of economic analysis of projects
- (iii) Procurement procedures, particularly international competitive bidding
- (iv) Internal and external resource mobilization
- (v) Co-financing and loan syndications, particularly legal implications
- (vi) Diversification of activities (such as leasing operations)
- (vii) Project follow-up and supervision.

MIDB's staff development and training policy, present arrangements and prospects are examined separately (paragraphs 4.15 - 4.18).

The Principal Bank for Development and Agricultural Credit (PBDAC)

3.15 PBDAC, wholly-owned by the Government of Egypt, is a large apex organization for providing agricultural finance. The total structure encompasses 8 branches of the bank and 17 governate banks. The Board is fairly broad-based and provides representation to several government

ministries, central bank, specialists in the field of agriculture and cooperation, governate banks, among others. The Chairman of the Board is the chief executive officer of the bank, who is assisted by two deputy chairmen. The third level of management, equivalent to general managers, is in charge of various functional areas, namely

- Development and banking affairs
- Finance and administrative affairs
- Credit and marketing
- Planning, organization and research
- Legal
- Production and storage, including training

3.16 In view of the total spread of the bank's activities and the responsibility for developing affiliate institutions, the bank has rightly accorded training the desired priority. The bank's own training department handles a bulk of management, specialized, orientation and cultural training for the bank staff and invitees from the governate banks. The main area of concern at the moment is not so much the content-oriented training for individual staff members, but reinforcing the capabilities of trainers to offer better designed programs covering a wider array of topics to meet the growing training needs of a very large population; in fact the largest single trainee group anywhere in Africa and the Middle East.

3.17 From the viewpoint of bank's operations, it is possible to identify training needs of a major staff segment, which are:

- o Accounting
- o Banking Practices
- o Feasibility Studies
- o Rural Development
- o Appraisal of Farm Loans
- o Implementation of Agro Projects
- o Interpersonal Relations

Agricultural and Industrial Development Bank (AIDB)

3.18 AIDB was incorporated in November 1970 as a result of the merger of two Ethiopian DFIs, namely the Development Bank of Ethiopia (DBE) and the

Ethiopian Investment Corporation (EIC). Although it was established as a wholly-owned share company, AIDB was reestablished as a public corporation under a proclamation of 1979 following the political changes in 1974. The proclamation defines the basic activities as extending loans to the agricultural, industrial and other sectors of economy. Some other activities which may be undertaken by the bank include issue of guarantees, ensuring a balanced regional distribution of projects, managing funds of other Government institutions and international agencies to be used for special lending purposes, attracting financial resources from other countries and international agencies, mobilizing private and public savings, cooperating with development agencies in project identification and promotional activities and expediting the flow of technical, managerial, and financial knowledge. Not all these activities are presently undertaken partly on account of constraints of staff and partly due to certain structural changes in the institutional framework for evaluating public investments. All public industrial investment projects in Ethiopia require approval by the Central Planning Supreme Council, but the system permits independent appraisal and approval or rejection by financial institutions. In this connection it may be relevant to mention the role of a specialized autonomous agency, namely Development Projects Study Agency under the control and direction of the Central Planning Supreme Council, which undertakes technical, financial, and economic evaluation of Government investment projects in all sectors. This has somewhat limited the role of AIDB in project identification and preparation, except in the small scale industrial sector. AIDB has also given up equity participation as all medium and large industrial enterprises are being set up as public corporations. The dissemination of managerial and financial knowledge is perhaps one function which AIDB has to pursue more vigorously in the coming years as the base of professional expertise within the bank is further expanded.

3.19 AIDB is unique in certain respects: first, it is the only agricultural and development bank in the country; and second it has a Board which is common for all financial institutions in Ethiopia. The Board, which is chaired by the Minister of Finance, includes the Governor of NBE (the Central Bank) as vice-chairman, six ministers and key officials. The chief executive of AIDB is general manager who has authority to sanction financial assistance less than Birr 3.0 million.* The management system also includes two committees, namely

- a management committee, consisting of all heads of departments and chaired by the general manager; the committee meets at least once a week to review all important developments concerning the bank;
- a loan committee chaired by the head of legal department and comprising heads of other operational departments; this committee recommends a definite course of action to the general manager.

* 1 US \$ = 2.07 Birr (approx.)

3.20 The loans above the general manager's authority are required to be submitted to the Board for a decision. A sub-committee of the Board comprising NBE Governor, his deputy, the general manager of AIDB and three others exercises the Board's authority in between its infrequent meetings.

3.21 AIDB is organized into four departments (agriculture and industry being the largest), five support units and 8 branch offices outside Addis. The organization structure, which was re-evaluated recently, is well-designed for AIDB's tasks and activities. The number of professionals, which was 99 as of April 1981, has increased to 116 by the end of 1982 and covers various disciplines such as economics, law, accounts and finance, agronomy, civil and agricultural engineering, among others. The 116 professionals are divided into three levels of management as under:

Top and senior	38
Middle	31
Junior	47
	<u>116</u>

The number of support staff is around 200. AIDB proposes to appoint an expatriate industrial engineer for a period of two years to provide engineering support to industrial project appraisal.

3.22 The operational strategies and priorities of AIDB in the coming few years will be aimed at:

- (i) increasing lending for peasant agricultural production;
- (ii) increasing lending to medium and large scale industrial enterprises (mining, for instance), expanding production of basic consumer goods necessary to satisfy domestic demand, especially in the rural sector, so as to provide appropriate incentives for agricultural production;
- (iii) increasing lending to small and cottage industries to help expand their output, improving productivity and absorbing more labor, especially the urban unemployed; and
- (iv) widening the scope of lending to contractors by reaching down to smaller contractors who do the bulk of the work in private housing and other private sector construction jobs.

3.23 The training implications of these operational priorities are:

- (i) training in project appraisal, particularly financial analysis (calculation of FIRR) and economic analysis (calculation of EIRR); this is considered important to improve the project selection procedures as also to meet the expectations of overseas lenders (IFAD, IDA etc.);

- (ii) management development programs, particularly in decision making and systems analysis;
- (iii) preparation, planning and appraisal of agricultural projects;
- (iv) promotion and appraisal of small industry projects;
- (v) promotion and financing of cottage industries;
- (vi) managing rural development projects; and
- (vii) training of trainers to train the new and junior staff of the bank and cooperatives in the agricultural and rural sectors.

3.24 AIDB is in the process of finalizing a comprehensive staff development plan (to be ready by the end of June 1983) which will include detailed projections regarding staff training in the next 3 years.

Development Finance Company of Kenya Ltd. (DFCK)

3.25 DFCK was incorporated under the Companies Act in September 1963. The main shareholders are ICDC (33.33%), CDC of Britain (11.11%), DGWZ of Germany (22.22%), Netherlands Finance Company for Developing Countries (22.22%) and IPC (11.11%). The Board has a mixed representation of local (ICDC and Government) and foreign shareholders. The Managing Director is assisted by two senior officials, namely Head of Operations and Financial Controller. The main operating departments are investigations, investments, small scale industries, legal and accounts.

3.26 DFCK's financing activities are primarily directed towards the establishment and/or expansion of manufacturing and agricultural processing enterprises. In addition, consultancy services are provided to needy entrepreneurs.

3.27 DFCK has a total staff of 93, of which 34 are professionals. No training programs are conducted internally mainly because of the small number of the professional staff.

3.28 Considering the existing levels of staff skills and operational priorities, DFCK feels that priority training needs for the coming few years would be as below:

- o Economic Analysis
- o Technical Analysis
- o Project Supervision and Follow-up
- o Market Studies

Industrial and Commercial Development Corporation (ICDC)

3.29 ICDC was originally established under an act of Parliament in 1954 to promote economic development of Kenya. After the country attained its independence in 1963 the Corporation underwent several policy and structural changes and the present name was adopted in 1967. The Board, consisting of 10 directors, is appointed by the Minister for Industry. The Executive Director, who is the Chief Executive, is a member of the Board. The main operating departments are Industrial, Commercial, Management Services, Investment Supervision, Administration, Finance/Accounts. The HQ is located in Nairobi and there are seven field offices all over the country.

3.30 The main banking activities of ICDC may be divided into 3 broad categories:

- Participation in equity (The companies are classified into subsidiaries or associates depending upon ICDC's shareholding.)
- Small Loans (These are further divided into industrial, commercial, property (real estate), purchase of shares and machinery.)
- Large and medium size loans.

3.31 On the promotional side, ICDC is engaged in project identification, project preparation and feasibility studies. In the case of wholly-owned subsidiary companies, Appraisal and Implementation Division of the Industry Department assumes active responsibility for project implementation, including preparation of tender invitations, bid evaluation, selection of contractors, negotiations, acquisition of necessary site and utilities, organization and mobilization of local venture partners and other financial facilities. The project is handed over to the company's Board for start-up and operation. Investment Supervision remains an important responsibility in both small and large investments.

3.32 ICDC has a total staff (excluding subsidiary companies) of 157, including professional staff of 69. The Corporation does not have an internal training unit, but it has evolved a system of in-company training, whereby an external training institution (KIA or a private training institution) is entrusted the responsibility of training a group of ICDC staff members. This is in addition to specific participation in local and overseas courses.

3.33 ICDC's training priorities are:

- o Project Follow-up and Supervision (particularly financial performance evaluation, programming and budgeting, role of nominee directors)
- o Project Management (project renewal and growth strategies)

- o Financial Analysis
- o Economic Analysis
- o Management or Attitudinal Training
- o Training of Trainers (This is considered important as ICDC would like to organize training for its own staff and the staff of subsidiary companies in future.)

Industrial Development Bank (IDB)

3.34 IDB was incorporated in 1973 under the Companies Act as a result of the joint efforts of the Government, ICDC and the World Bank. The Government is largest single shareholder of IDB (47%), followed by ICDC (14.3%) and three public sector institutions (12.9% each). The Board consists of 8 directors (including the Managing Director) appointed by institutional shareholders (2) and the Ministries of Finance and Industry (6).

3.35 The main activities of IDB are provision of medium and long-term loans, direct equity investments/underwriting and provision of guarantees. The main area of specialization of IDB is the grant of long-term loans to industry, particularly foreign exchange requirements.

3.36 IDB has a complement of highly competent and experienced professional staff of 45; the total staff strength is around 125. In terms of their educational background, the professional staff may be divided as under:

Economists	8
MBAs	3
Lawyers	4
Accountants	4
Engineers	2
Computer Specialists	3
Others	<u>21</u>
Total	<u>45</u>

In terms of the levels of management, 21 are senior managers, 15 middle and 9 junior officers.

3.37 IDB does not conduct any in-house training at the moment, though during 1977-79 a number of short courses were organized.

3.38 From the operational viewpoint the most important area of concern lately has been project supervision and recovery (debt-collection). The bank has initiated a number of additional steps to augment its debt-collection including: (i) dividing companies in arrears into three categories, those that are able but unwilling to pay, those unable to pay, and those that may require involvement of highest level management to assist in collection; (ii) preparing a quarterly debt-collection report showing changes in arrears for

these accounts by category in addition to the normal monthly arrears reports; and (iii) reinforcement of the debt collection committee. The training needs of LDB, in order of priority, are therefore as under:

- o Follow-up and Supervision
- o Financial Analysis
- o Economic Analysis
- o Project Promotion

Agricultural and Cooperative Development Bank (ACDB)

3.39 ACDB, which is the principal lending institution to the agricultural sector in Liberia, is jointly owned by the Government (65%) and credit unions and cooperatives (35%). The headquarters is located in Monrovia and the bank has 4 branches in other parts of the country. The management is headed by a Managing Director under the supervision of a Board which broadly represents interests of owners. The total staff strength is 95, of which 37 are professionals. The professionals represent mainly three academic disciplines, namely agro-economics, accounting and financial analysis.

3.40 ACDB does not conduct any regular in-house training due to small size of its professional staff. There is, however, occasional participation in the overseas courses/programs (paragraph 4.44) and the new employees are given training in financial analysis, project evaluation and basic accounting for about 2 weeks.

3.41 The more important training needs of ACDB staff are primarily in the following areas:

- o Financial Analysis
- o Economic Analysis
- o Project Identification
- o Project Follow-up and Supervision
- o Training of Internal Trainers

Liberian Bank for Development and Investment (LBDI)

3.42 LBDI is a national development bank owned by Government (24.1%), overseas institutions/agencies (74.6%) and private Liberians (1.3%). The Board consists of 14 directors representing various shareholder interests (including IFC). There is an executive committee of the Board which exercises some management control functions.

3.43 LBDI's present activities are provision of term finance, like most of the other DFIs, but it is actively considering entry into short-term financing and the deposit business.

3.44 The bank has a staff of 60, of which 29 are professionals, mainly specializing in economics, finance, accounting and law.

3.45 In view of the several environmental constraints, the operational priorities of LBDI are focused on consolidation of its existing portfolio and rehabilitation of enterprises which are not doing well. The shortage of working capital finance is seen to be a major operational constraint for many assisted enterprises. The entry into commercial banking activities would ease this position and also help the bank in raising more domestic resources.

3.46 In view of to the current situation, LBDI is attaching importance to training its staff in the following areas:

- o Rehabilitation and Restructuring of Sick Units
- o Follow-up and Supervision Techniques
- o Financial and Economic Analysis
- o Domestic and External Resource Mobilization

Some comments regarding current training arrangements may be seen in paragraphs 4.45-4.46.

National Housing and Savings Bank (NHSB)

3.47 NHSB is a Government owned institution set up mainly for providing housing finance. The HO is located in Monrovia and it has no branches. Temporarily the bank has suspended its housing mortgage activities and the emphasis at present seems to be on collection of old debts and commercial banking activities aimed at expanding the resource base. The Chief Executive, who has been deputed by the National Bank of Liberia, is attaching high priority to restructuring of the bank's operations and restoring it back to sound financial health.

3.48 NHSB has a staff of 120, of which 90 are professionals. Staff training principally takes the form of institutional attachment (for instance, 1st National Bank of Chicago) though there are plans to conduct some in-house training in commercial banking activities. NHSB has not participated in any of the Abidjan courses; some staff members attend 2-4 week long courses at the Liberian Institute of Public Administration. One of the staff members is attending an MBA course at one of the American universities. The felt training needs are mainly in commercial banking activities, which may be met through in-house training and attachment with foreign commercial banks.

Nigerian Agricultural and Cooperative Bank Ltd. (NACB)

3.49 NACB is a national agricultural development bank with headquarters at Kaduna (Kaduna State). The bank is jointly owned by the Federal Government of Nigeria and the Central Bank in the ratio of 60:40. It has established branches in all the states in order to reach the farming sector, particularly small farmers.

3.50 NACB's Board has a broad representation of all interests connected with agriculture and agro development. The Managing Director (who is the chief executive) is assisted by three executive directors, each looking after specialized tasks like services, projects and operations and finance and investments.

3.51 The main activity of the bank is provision of loans to agro and agro-related activities (poultry, cattle, arable, tree crop, fishing, piggery, horticulture, mixed farming and marketing). In recent years, the bank has given highest priority to meeting the credit needs of small farmers. These loans cover infrastructural facilities, such as improved storage, transport and marketing systems. Two other areas have assumed prominence in the last few years—these are financing of agro-based industries and provision of technical services to individual farmers and organizations.

3.52 NACB attaches importance to training its staff to meet the emerging training needs. The total staff strength is around 600, of which nearly 125 are professionals.

3.53 The main training needs of the bank have been identified as under:

- o Appraisal of farming and agro-industry loans
- o Financial and economic aspects
- o Project Supervision (recovery methods)
- o Accounting and auditing
- o General management

Comments on the existing training system may be seen in paras.

4.47 - 4.50.

Nigerian Bank for Commerce and Industry (NBCI)

3.54 NBCI was established in 1973 as a wholly-owned government company for assisting, mainly, small and medium size enterprises by way of loans and equity support. It also undertakes merchant banking activities. The bank's Board consists of directors, nominated by the President, who represent the Federal Government, Central Bank and specialized functions and interests. The

headquarters of the bank are located in Lagos but it has branches (19) in all the states.

3.55 The Managing Director, who is the chief executive, has a team of four general managers to assist him in policy formulation and implementation. The general managers look after specific functional areas such as banking, administration, investment, corporate services and legal affairs. Appraisal and supervision functions are looked after by the general manager in charge of investments.

3.56 In view of the rapid growth in operations the bank's staff strength has increased sharply during the last few years. The total staff at present is around 650, of which nearly 200 are professionals.

3.57 In terms of bank's operational priorities, training is required in the following areas:

- o Financial analysis and loan supervision
- o Accounting
- o Commercial banking operations
- o Staff administration
- o Training of trainers

In spite of the fact that the bank has a large staff complement and there is rising trend in terms of activities, no training is undertaken on an in-house basis. The manner in which these training needs are met is described in paras. 4.51 - 4.55.

Nigerian Industrial Development Bank, Ltd. (NIDB)

3.58 NIDB is among the oldest and highly respected national DFIs in the West African region for its progressive operational and staff development policies. Federal Government and the Central Bank together hold 99% shares and the remaining 1% is held by the private Nigerian interests. The Board consists of 12 directors, including the Managing Director (Chief Executive), nominated by the Ministry of Finance and the Central Bank in the ratio of 2:1, respectively.

3.59 The main activity of the bank is provision of financial assistance to industrial projects (new, expansion, rehabilitation) in the form of loans and equity. Besides, the bank undertakes development activities such as reshaping of poorly conceived projects prior to appraisal, initiation and development of projects for less developed regions of the country, and provision of management consultancy services covering executive selection, design of organization structures, financial planning, business reactivation and feasibility studies.

3.60 The headquarters of the bank are located at Lagos and there are five area administration offices, including one for Lagos. The Managing Director is assisted by three Deputy General Managers who are in charge of a group of functional areas as explained below:

- Dy. G.M.-1 - Area Administration Offices

- Dy. G.M.-2 - Administration and Finance Division
 - Administration Department
 - Finance Department
- Investment Management Division
 - Investment Supervision Department
 - Management Consultancy Department

- Dy. G.M.-3 - Projects Division
 - Appraisal Department
- Research and Development Division
 - Research Department
 - Promotion and Development Department

The Corporate Affairs Division (Secretariat and Legal) and Manpower Development Department are under the direct control of the Chief Executive.

3.61 The bank had a total staff of 569, including 183 professionals (as of January 1983). The break-down of professional staff by educational background is given below:

Economists	33
Financial Analysts	41
Engineers	32
Accountants	11
Lawyers	8
Market Specialists	4
Others	54
	<u>183</u>

It may be seen that NIDB has not only a fairly large group of qualified professionals, all relevant disciplines are well represented. In terms of the levels of management, 12 form part of the senior management, 33 are in the middle management and 138 are junior officers.

3.62 NIDB is perhaps among the selected few African DFIs who pioneered staff training on an in-house basis and created support and physical facilities for the purpose, which are of international standard. At the same time, NIDB has continued to avail of training opportunities abroad which are of strategic importance in terms of its operations. The training policies of NIDB and the manpower development system are explained in detail in paras. 4.56-4.63.

3.63 In terms of its operational priorities and the availability of skills, NIDB has identified its professional staff training needs as below:

- o Training for the Technical Staff
- o Project Identification and Promotion
- o Project Follow-up and Supervision
- o Training of Trainers

3.64 Induction training needs and training in project analysis, though important from the operational angle, can be handled by the training unit without any external assistance.

New Nigeria Development Company, Ltd. (NNDC)

3.65 NNDC can trace its origin to the two development corporations set up in Northern Nigeria during 1949. These corporations were merged in 1956 to create what was then called Northern Region Development Corporation. This corporation was dissolved in 1967 and a new company (NNDC) was established in 1968. NNDC is quite unique in its ownership pattern inasmuch as its share capital is subscribed by a group of 10 Nigerian states in the North. The shareholding varies between 5.77% and 19%. The Board of Directors consists of 15 directors, including Chairman and Group Managing Director (Chief Executive). The HO is located in Kaduna (Kaduna State).

3.66 The organization is divided into 7 operating divisions, namely Textiles, Agriculture and Agro-Allied Industries, Construction, Manufacturing, Financial Institutions and Commerce, Hotels, Food and Beverage, and Administration. As the organization structure makes it clear, NNDC is different from other DFIs in Africa. It is more like a holding company having 12 main subsidiary companies and more than 100 associate companies operating in a particular sector of the economy. NNDC's subsidiary company, viz. Newdevco, provides corporate financial services. Eleven other associate companies are engaged in capital market services, merchant banking, insurance, commercial banking, among others.

3.67 As a financial institution, the main activities of NNDC are:

- o provision of medium and long-term loans
- o equity participation
- o Consultancy services (particularly hotels)
- o promotion and management of joint ventures
- o promotion of agriculture and agro-allied industries

3.68 NNDC has a total staff of 340, of which 70 are professionals. The total number of professionals in NNDC group is around 250. The training needs

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are of diverse nature in view of the vast spread of NNDC's operations, at the moment no training is organized on in-house basis.

3.69 According to an assessment by NNDC management, training needs for professional staff fall in the following broad categories:

- (1) General Management (for senior level officers to identify and improve areas of weakness in the organization)
- (2) Project/Investment Appraisal
 - (a) Feasibility studies (identification and preparation of projects)
 - (b) Appraisal (technical, market, financial and economic)
 - (c) Procurement (raw materials and equipment)
- (3) Project Management and Consultancy
 - (a) Search and choice of technical partners
 - (b) Project supervision
 - (c) Management of ailing industries (trouble-shooting)
(It may be mentioned that NNDC has developed expertise in consulting for the hotel industry; this expertise base is now proposed to be expanded to agro-allied and other economic projects. Consulting expertise may also be offered to the member State Governments.)
- (4) Product Marketing
 - (a) Market appraisal
 - (b) Distribution, advertising and other sales promotion techniques
 - (c) Inventory planning and control
- (5) Financial Management
 - (a) Budgeting, forecasting and control
 - (b) Interpretation of financial statements
 - (c) Financing of new, existing and ailing enterprises

3.70 In the past most of these training needs have been met through participation in national and overseas courses. The management has recently

decided on the establishment of a Management Development Center for meeting most of the group training needs. This is a step in the right direction and NNDC deserves full support of EDI and ADB in designing and setting up of this Center. NNDC has engaged the services of a British consulting firm to prepare the preliminary proposal but the experience and guidance of EDI would be most valuable in giving a final shape to the project. The Center can have tremendous developmental impact in North Nigeria by training professionals of not only NNDC group but corporations and enterprises of member State governments. If this proposal goes through NNDC will be required to hire some experienced trainers and in addition train some of its more experienced staff in training techniques.

Agricultural Bank of Sudan (ABS)

3.71 ABS was established in 1957 as a public sector statutory financial institution to provide financial assistance for the development of agricultural sector. The paid-in capital of the bank, entirely subscribed by the Government, has been gradually raised from LS 5 million (US\$3.91 million) in 1957 to LS 16 million (US\$12.5 million) in 1982. The head office is located in Khartoum and there are 26 agricultural and 7 commercial banking branches besides 2 grain silo offices.

3.72 The bank is managed by a Board of Directors consisting of 11 directors, including Chairman and Managing Director, a Deputy Managing Director, 4 representatives of concerned government ministries, a representative of the Bank of Sudan (Central Bank), and advisor to Head of State, two representatives of the private sector and a university professor.

3.73 In its lending operations ABS attaches priority to meeting financial needs of small and medium cultivators as well as to cooperatives, increasing productivity by supplying improved seeds, insecticides, fertilizers as well as extension services, and helping producers in handling storage and marketing of their crops and to provide expert knowledge and information regarding market conditions. The financial assistance takes the form of short or seasonal, medium or long term loans depending on the purpose for which the loan is to be utilized. The appraisal procedures are fairly decentralized and all small loans are sanctioned by the branch managers/managers at HO.

3.74 The commercial activities of ABS mainly comprise import of needed inputs/spare parts, sorghum purchase and storage facilities. The commercial branches provide commercial banking facilities to agriculturists in unbanked centers to encourage rural savings and mobilize local currency resources for operations. An agricultural services project being implemented by ABS has been financed by an IDA credit. The main objectives of this project, comprising four sub-projects, are provision of supervised package of credit and complementary services, establishment of a system based on private dealers for the supply of farm seasonal inputs, farm equipment and machinery and servicing, and institutional development of ABS.

3.75 ABS has a total professional staff (up to Grade IV) of 219 allocated as under:

HO	133 (excluding MD and Dy. MD)
Agricultural branches	60
Commercial branches	9
Grain silos	17
	<u>219</u>

Professional staff constitutes around 34% of the total staff strength (638).

3.76 Based on ABS's activities and availability of skills and knowledge, the training and staff development needs were determined as under:

- (i) Monitoring and Supervision of Projects
- (ii) Accounting
- (iii) Project Preparation
- (iv) Economic Appraisal
- (v) Assessment of Market Trends
- (vi) Technical Training
- (vii) Training of Trainers

The existing and proposed training arrangements are discussed in paras. 4.66 - 4.70.

Industrial Bank of Sudan (IBS)

3.77 IBS was established as a public sector statutory corporation in 1961 and its paid-in capital was entirely subscribed by the Bank of Sudan (Central Bank). The ownership pattern was diversified in 1980 whereby the Government of Sudan now holds 22% of capital while the remaining 78% is held by the Bank of Sudan. The head office of IBS is located in Khartoum and it has no branch offices at present. There is, however, a proposal to establish an office at Port Sudan for facilitating customs clearance and shipping of imported equipment for bank's assisted projects.

3.78 The Board of Directors consists of Chairman and Managing Director; a Deputy Chairman and Deputy Managing Director; three representatives of the Ministry of Finance and National Economy, the Ministry of Industry, and the Bank of Sudan; and three representatives of the private sector. Total professional staff of 25 makes IBS a modest size financial institution.

3.79 The main functional areas of the bank are granting of loans (medium and long term), participation in equity and issuing guarantees. The legislation also empowers the bank to extend managerial, technical and administrative assistance to private sector. Further, the bank can coordinate ('cooperate') with other government institutions in conducting research relating to new projects (which means project promotion). But it seems that due to several constraints the last two functions have not yet assumed the thrust to have a visible impact on operations.

3.80 Several of the problems faced by the bank are imposed by the external environment such as migration of skilled workers to other Arab countries, inadequate infrastructural support, shortages of essential raw materials, lack of coordination among several government agencies and deficiencies normally associated with financing new entrepreneurs (high default rate, etc.). These constraints are not unique in the sense that every development bank operates in the face of such limitations or imperfections of the task environment. The organizational responses vary from institution to institution but generally development banks have chosen, under these circumstances, to be selective in lending operations (tightening of appraisal standards), focus more attention on follow-up activities and intensify project promotion and development efforts. In a sense these issues are linked to the process of institution building, i.e., infusing such dynamism in the institution that it is able to respond to all or most of these adverse situations.

3.81 The management of IBS has shown awareness of underlying problems as is seen from successive annual reports. Its response to the situation is a new strategy of diversification involving greater attention to financing small/cottage/handicraft/artisan enterprises; new schemes for meeting financing needs of self-employed professionals; financing of such sub-sectors as storage facilities, transportation, and tourism. This seems to be a welcome shift in accordance with national priorities and the bank's own experience of financing mostly medium or large enterprises. Other components of this organization change strategy are an entry into the arena of deposit banking (time and demand deposits) and working capital financing. Deposit banking is a step towards mobilization of local currency resources while short-term financing will be aimed at mitigating acute working capital shortages faced by assisted units. Most, if not all, of these changes require an amendment of the legislation which might in turn involve a review of the financial sector policies by the Government. The implementation of these measures will therefore take time.

3.82 In view of the uncertainties associated with the proposed diversification, the training needs assessment has been based on the existing activities and organizational issues. Priority areas for staff development appear to be:

- (1) Project Identification and Promotion
- (11) Management Appraisal

- (iii) Financial Analysis
- (iv) Simplified Approaches to economic analysis
- (v) Follow-up and Supervision (particularly rehabilitation of sick units)
- (vi) Small and Tiny Project Financing

The existing staff training arrangements are examined in paras. 4.71 - 4.74.

Sudan Development Corporation (SDC)

3.83 SDC was established in March 1974 (Act 93) with the principal objective of acting as a catalyst by combining in industrial joint ventures local funds and entrepreneurship with advanced technology and finance from foreign and Arab sources. The entire paid-in capital of US\$200 million has been subscribed by the Government of Sudan. The head office of the Corporation is located in Khartoum and it has no branches. Consistent with its basic objective, the main activities of the Corporation are (i) identification and promotion of new development projects involving feasibility studies and provision of technical assistance, (ii) direct investment in equity capital, (iii) short, medium or long-term loans, and (iv) issue of guarantees and counter guarantees.

3.84 The Corporation is managed by a Board of Directors consisting of a Chairman and Managing Director, a Deputy Chairman and Deputy Managing Director, State Minister of National Planning, Governor of Central Bank (Bank of Sudan) and two representatives of the private sector. The main operational wing of SDC is the Projects Department which has three sub-units, namely project promotion and economic research, appraisal and follow-up. There are three support units looking after personnel, administration, finance, accounts, board matters and public relations.

3.85 As of December 1981, SDC had promoted/financed 26 projects in textile, food processing and real estate sectors. This excludes equity participation in 5 financial institutions/joint venture banks in Sudan. SDC had taken a bold initiative in 1978 to set up Sudan Rural Development Co., Ltd. (SRDC) for promoting development of rural areas. SRDC has in turn set up two affiliates, viz. Sudan Rural Development Finance Company Ltd. (SRDFC) and Sudan Rural Development Promotion Center Ltd. (SRDPC). These three companies together now constitute a network to identify, promote and finance small rural development projects. Another operational strategy, recently adopted, is to undertake a rehabilitation program to restructure, modernize and streamline the operations of some existing private sector industrial ventures. Criteria selected for the purpose require that the industry must (i) have substantial development value, (ii) be potentially viable, (iii) have good prospects for growth and expansion, and (iv) help bridge supply gaps of basic consumer

commodities. The activities of SDC therefore cover a wide spectrum from project promotion to project rehabilitation, which makes operational tasks more challenging.

3.86 Since the Corporation is involved in a variety of promotional and financing activities, it looks upon training as an essential tool to upgrade the knowledge and skills of its 42 professional staff members. The priorities in this regard are:

- (i) Project identification and promotion
- (ii) Economic aspects of project appraisal
- (iii) Project follow-up, more particularly interpretation of financial results, improved coordination between appraisal and follow-up functions and training for nominee directors who serve on the boards of joint venture companies.
- (iv) Impact evaluation of projects, especially its policy implications.

The present position regarding training and staff development is examined in paras. 4.75 - 4.76.

Tanganyika Development Finance Company Ltd. (TDFL)

3.87 TDFL was established in 1962 as a limited liability company under the Tanzania companies ordinance. Its major objective is to extend financial assistance to small and medium sized projects in the private sector (non-parastatal projects) in the form of loans in local and foreign currencies and direct participation in equity. The paid-in capital at T Shs 88 million has been subscribed by TIG (27%), CDC of UK (12%), DEG of West Germany (27%) and FMO of Netherlands (34%). TDFL is therefore majority foreign owned institution. The composition of the Board also reflects the ownership pattern; each of four shareholders nominate two directors each and the Managing Director (who is the chief executive) is appointed by the Board.

3.88 The organization structure is divided into five departments; finance and planning, manpower development and administration, project supervision, project appraisal and investment, secretarial and legal. Besides, there is an internal audit unit. TDFL has a professional staff of 31, of which 4 are presently seconded to subsidiary companies. The professional staff is allocated to various departments as follows: finance and planning - 5; manpower development and administration - 3; project supervision - 9; project appraisal and investments - 8; secretarial and legal - 1; others - 1. Most of the staff members had basic degrees in economics, finance, accounts and other relevant disciplines. There are, however, only two engineers, one of which is an expatriate consultant. The total size of the organization is small, but it is looked upon by foreign lending agencies as an able and dedicated group. The actual increase in professional staff has been lower than 1979 projections.

mainly on account of slow-down in operations during the last two years due to a combination of external factors.

3.89 The management of TDFL is deeply committed to training as a means of staff development and the institution has a clearly stated policy to offer training to all categories of staff. As far as professional staff is concerned, they are deputed to attend local as well as foreign courses according to the annual training plan. TDFL, like TIB (para. 3.93), feels that management education is necessary for promotion to senior positions. If due to funding constraints staff cannot be deputed to attend foreign management courses, TDFL would expect AADFI-ADB to meet this gap by launching a new management oriented course for development banks in Africa. A similar view has been forcefully expressed by TIB. Other two areas for training are follow-up and supervision, and economic aspects of project appraisal. TDFL would also welcome any opportunity to train its operational staff in the methods and techniques of training in order to initiate some in-house training for the staff. Some additional comments on TDFL's training policy and system are contained in paras. 4.77 - 4.80.

Tanzania Investment Bank (TIB)

3.90 TIB was established in 1970 as a public sector parastatal organization. Its paid-in capital of T Shs 100 million is owned 60% by the Government, 30% by the National Bank of Commerce (NBC) and 10% by the National Insurance Corporation (NIC). Both NBC and NIC are wholly Government owned. The current Chairman of the Board of Directors, appointed by the President, is also Chairman of NBC. There are eight other members nominated by the shareholders (five by the Minister of Finance, two by NBC and one by NIC). As the post of the Managing Director is vacant at present, General Manager of TIB is acting as the chief executive. The General Manager is assisted by four committees: Loan, Management, Staff Appointment and Housing Allocation. The Loan Committee meets every week and considers all financing proposals before their presentation to the Board.

3.91 The organization structure consists of five departments: Operations, Projects, Planning and Development, Finance, and Administration. Till January 1982, both appraisal and follow-up functions were combined in Operations Department. In view of the importance of follow-up function and sudden rise in arrears it was considered necessary to create a separate department for this function. TIB has a total staff of 128, of which around 60 are professionals. The distribution of professional staff is as follows: operations - 15; projects - 10; planning and development - 11; finance - 10; administration - 7; others - 7.

3.92 TIB's major activities are provision of medium and long-term finance for large industrial and agricultural projects, most of which are in the public sector. TIB also enjoys a very high reputation in activities relating to project identification and promotion and various sectoral studies. The initiatives in this respect included capacity utilization and efficiency studies of large parastatal borrowers, which were experiencing operational

problems. More recently, the focus has shifted to project supervision, as a number of existing projects are facing problems due to several environmental constraints. The financing strategy of TIB now favours projects which (i) increase export earnings, (ii) are import substitutive without excessive dependence on imported raw materials, (iii) increase availability of food grains/agricultural production as a major source of export earning, (iv) conserve energy, (v) increase capacity utilization of existing industries, and (vi) improve directly the country's balance of payment situation.

3.93 TIB looks upon management education and training as an essential ingredient of its overall organizational effectiveness. It has drawn on the IDA technical assistance to provide management education and training to its staff in reputed institutions abroad. Due to this emphasis in the past, TIB has been able to build up a cadre of competent managers, who are regarded as biggest asset of the institution during difficult times. In view of this, the management of TIB attaches highest importance to basic management education to all its professional staff. The other priorities include training in research and planning, follow-up and supervision and economic/financial aspects of project appraisal. TIB's training policies and systems are explained in paras. 4.81 - 4.85.

Uganda Development Bank (UDB)

3.94 UDB was established in 1972 to finance development of agriculture, industry, tourism, housing and commerce. It provides assistance in the form of short, medium and long term loans, equity investments, guarantees, and managerial or technical services. The share capital is fully subscribed by the Government. The Board consists of 7 members, including the Governor of the Central Bank and the Secretary of the Treasury as permanent ex-officio members. A General Manager, appointed by the Minister of Finance, is the chief executive of UDB. The present incumbent is an experienced banker.

3.95 The organization structure consists of three departments, namely Operations, Finance and Administration, and Secretary's. Operations consists of five divisions - agriculture, industry, commerce and trade, livestock and research, and promotion. Finance and Administration has two divisions; one responsible for finance and accounting, and the other for personnel and administration. Secretary is responsible for legal work and Board papers, etc. The organization structure is being strengthened by two assistant general managers, who will be expatriates, to head Operations and Finance and Administration Departments respectively. Besides, a chief accountant, another expatriate, will be appointed to manage finance and accounting division. UDB is also thinking of phasing out commerce and trade financing and creating a new division for follow-up and recovery. This sounds logical as the function of providing short-term commercial credit was entrusted to UDB in 1972 following the mass exodus of non-Ugandan citizens. In order to strengthen its developmental role, UDB should restrict its activities to providing long and medium term project finance. The need for follow-up and recovery division has arisen on account of problems faced by the assisted projects at implementation and operation stage. UDB is required, under the circumstances, to

focus greater attention on consolidation and rehabilitation of its existing portfolio.

3.96 UDB has a professional staff of around 60, of which nearly 15 have joined the bank during 1982. The number is expected to increase marginally with addition of expatriate advisors and some qualified Ugandans. UDB has received assistance of EEC, UNDP and IDA in recruiting and funding of expatriate staff and fellowships for training Ugandan staff in overseas institutions.

3.97 The training priorities of UDB currently are induction/orientation training to newly recruited staff members and exposure of the existing staff to follow-up techniques, mainly rehabilitation of sick units, and financial/economic aspects of project appraisal. The bank has no formal in-house training system and depends entirely on institutions abroad for training its staff in development banking, but with the addition of more professional staff and a very challenging operational environment, it is felt that the bank should at least assume the responsibility of induction/orientation training. Some specific recommendations in this regard are contained in paras. 4.96 - 4.87.

The Development Bank of Zambia (DBZ)

3.98 DBZ was established as a statutory corporation in 1972 for providing medium and long-term loans and equity financing for projects in industry and large scale agriculture, including construction, transport, power, tourism and mining. Over the past ten years DBZ has emerged as a significant institution in the Zambian economy providing development finance to a wide variety of projects.

3.99 The bank has a three tier capital structure. The ordinary capital is divided into class A and B shares; class A shares are reserved for Government and parastatal organizations. Class B shares are subscribed by private local and international organizations (including IFC). There is no limitation on class C preference shares which carry a dividend right of 8-1/2% p.a. As of December 31, 1981 issued and fully paid-up capital stood at K 17.425 million (A and B - K 10 million; C - K 7.425 million)*.

3.100 DBZ's Board consists of ten members, including the Managing Director. The ratio of Government and class B shareholders appointed directors is 6:4, respectively. One of the major factors which has contributed to the growth and soundness of DBZ is the dedicated efforts of the current chief executive aimed at institution building activities. There is not only a clearly laid out operational strategy, DBZ can boast of general guidelines on project appraisal and follow-up for use by the staff. In these endeavors, DBZ has

* 1 US \$ = 1.10 K (approx.)

effectively used expatriate staff and training opportunities available in foreign institutions for its own staff. These investments are showing encouraging returns and it is only a matter of time before the dependence on outside expertise is reduced to the minimum. In this context, DBZ's decision to initiate in-house training activities is most appropriate to maximize the benefits of external training and attain a higher training coverage ratio.

3.101 DBZ's organization structure is well-designed and appropriate for its needs. The Managing Director is assisted by a General Manager and an expatriate Management Advisor. At operational level, the organization is divided into three divisions; project promotion, project appraisal (industry and agriculture) and project supervision (industry and agriculture loan administration). There is a separate small-scale financing unit under the charge of an expatriate advisor. The support units include finance, legal, administration and personnel, audit.

3.102 In October 1980, DBZ had a staff of 95 (37 professionals). This number has since increased to about 134, including 50 professionals. The professional staff is allocated as follows: project appraisal (17), project supervision (10), legal (3), internal audit (2), SSE financing (2), project promotion (6), finance (5), personnel and administration (5). There are four vacant positions. The responsibility for training activities is divided between an expatriate chief economist-cum-training coordinator and chief of administration and personnel. It is expected that this duality will increasingly give way to a centrality of this function in the hands of a training officer reporting to a fairly senior level in the management hierarchy. DBZ has the problem of inadequate engineering staff who presently number only 5, including the expatriate engineering staff. Steps are being initiated to augment the strength of engineers through the recruitment of locally qualified candidates.

3.103 A discussion with the division chiefs of DBZ helped the mission in setting the training priorities, which are given below:

- o market, financial and economic aspects of project appraisal
- o training of the engineering staff
- o project follow-up and supervision
- o in-house training capabilities (training of trainers)

A brief description of the existing and proposed training arrangements is contained in paras. 4.88 - 4.89.

Rural Development Corporation of Zambia Ltd. (RDCZ)

3.104 RDCZ was incorporated under the Companies Ordinance in 1968 as a parastatal holding company for agro-rural related activities. Its subsidiary companies provide agricultural credit (AFC), cattle finance, rural aid

services; manufacture of dairy and pork products; produce tea; and manage poultry operations. As of March 31, 1982 the corporation had a net worth of K 34 million (equivalent US\$31 million). The Board consists of 11 directors, including high-level Government representatives and chief executives of parastatal organizations.

3.105 The corporation (including its subsidiary companies) is large in terms of manpower resources; about 200 staff, including 150 professionals. There is no system of internal training; staff is deputed to some overseas courses as and when financial assistance is provided by the course organizers or other international agencies. It seems that the management appreciates the need for a training policy. It is hoped that necessary steps would be initiated in this direction. The corporation is considering AADFI membership and may approach EDI for assistance in installing an internal training system.

3.106 The current training needs fall in the area of planning, appraising and managing rural development projects. There is also need for human relations training to reinforce the organization's interface with rural communities. The available evidence shows that this training need is largely unsatisfied but can be easily met, in a cost-effective manner, through internal training. There are also some technical training needs (of subsidiary companies) which are generally met out of technical assistance allocations/project funds.

Zambia Agricultural Development Bank (ZADB)

3.107 ZADB was established in 1979 under an enactment by the Parliament for the purpose of providing financial assistance to agricultural and fishing activities. The bank has yet to become fully operational though some key officials have already been appointed. The main reasons causing delay is the question of capital and operating resources. The Government has not defined the precise role of the bank as agricultural credit is being presently provided both by DBZ and Agriculture Finance Company, a subsidiary of Rural Development Corporation of Zambia Ltd.

3.108 The bank has a staff of around 30 but after the operations are commenced, it is expected to be a large size institution having professionals with experience in financing crops, fisheries, livestock, agricultural estates, agricultural equipment, among other agro related activities. ZADB will also provide technical and extension services to farmers. Although it is rather early to determine precise training needs, it is expected that training would be required in all aspects of agro project planning, preparation, appraisal and supervision. The management seems to be committed to provide training, both in-house and external, so that desired capabilities are developed.

3.109 ZADB is approaching AADFI for membership shortly and expects to participate in EDI-ADB programs, particularly those relating to agricultural projects. There are likely to be some specialized training needs, which will be met through technical assistance components in foreign credits.

Financial Institutions in Zimbabwe

3.110 The primary objective of the mission to Zimbabwe was to look into the progress made in the setting up of a new development bank and to assess the training implications of the proposed structural changes. In this connection it is appropriate to examine the role of two existing institutions, namely the Industrial Development Corporation (IDC) and the Development Finance Company (DFC).

3.111 IDC was established in 1962 for the purpose of promoting and financing new industrial projects. Its shareholders are Government of Zimbabwe, principal commercial banks (public as well as private) operating in Zimbabwe, an insurance company, and some private sector companies. For all purposes IDC is treated as a parastatal organization under the control and the direction of the Government of Zimbabwe. IDC has played an important role in promoting new industrial ventures through equity participation. As of June 1982, IDC had controlling interest (ranging between 51-100%) in 11 subsidiary companies, including DFC. The companies were engaged in the manufacture of asbestos fibers, industrial minerals; assembly of cars and trucks; mining, and film processing. There were 8 associate companies (with corporation's shareholding ranging between 20-50%) engaged in motor assembly, mining and the manufacture of aluminum, hosiery, copper oxychloride products and high technology communication equipment. The performance of IDC companies was by and large encouraging despite several external constraints.

3.112 The loans portfolio principally consists of loans granted to IDC's subsidiary and associate companies. Loans and short-term facilities constitute about 28% of total IDC investments.

3.113 DFC was established in 1980 for financing emergent small business enterprises, mostly in rural areas and has functioned under the control of IDC since January 1981. The working of the company has not been entirely satisfactory; it has heavy accumulated losses and nearly 48% of its portfolio is in arrears. Looking at the task of financing new entrepreneurs in the context of national development policy, there is a need for a new organization, with a larger expertise base and adequate financial resources. The Government of Zimbabwe has decided to establish a Small Enterprises Development Corporation (SEDCO) in response to this need. It is proposed to merge DFC in SEDCO and IDC's shareholding will be transferred to the Government. This new development, which is in an advanced stage of implementation, is to be welcomed as the country required such an institution to identify, promote and finance small enterprises in the rural areas which lack proper industrial infrastructure at the moment. The new corporation will not only finance new small enterprises but more importantly involve itself in the identification and development of new local entrepreneurs. The legislation clearly confers on SEDCO a training-cum-development role, which seems highly appropriate under the circumstances.

3.114 The need for a new development bank in Zimbabwe has been felt as the existing institutional structure is inadequate to meet the need of long-term,

viable growth of industrial enterprises in the medium and large sectors. There is no financial institution at present to provide foreign exchange for acquisition of fixed assets on a long term basis. A major portion of the fixed assets is financed out of self-generated funds. This position is unsatisfactory for a major industrialization effort, particularly with a view to encouraging more new local entrepreneurs. The Government has therefore decided to set up a new development bank to provide loan (local as well as foreign currency) and equity investments on a much wider scale consistent with the national development policy. The decision is timely and covers a major gap in the national financing structure.

3.115 The enabling legislation has been passed by the Parliament and awaits approval by the senate and presidential assent. According to tentative schedule, the new development bank will come into being on July 1 this year and will commence operations soon thereafter. The Government will own 51% of share capital of DB and the remaining 49% will be issued mainly to foreign investors, including EDG (Germany), CED (UK) and IPC. The bank will be empowered to finance private as well as public enterprises though the orientation will be dominantly public sector. The Board will have 11 members; of which 6 will represent Government interests and 5 private foreign investors. The Chief Executive will be assisted by a General Manager and a highly experienced team of senior officers in charge of various operations. According to the indications received, DB will have an important training and development role. It will undertake institution building activities right from the inception stage so that desired capabilities are developed within the shortest time possible. IDC, after the establishment of the new bank, will cease its lending operations and will concentrate on project promotion, implementation and management activities, which seems to be a rational approach to avoid duplication of efforts.

3.116 The new institutional structure (including existing staff of IDC and proposed staff of SEDCO) is likely to have a professional staff of 100-150 in the next two years. These professionals will require training in:

- o identification and development of new entrepreneurs;
- o identification, planning and preparation of new projects;
- o market and technical studies;
- o project appraisal: management, market, technical, financial and economic;
- o counselling and extension services;
- o appraisal of small loans;
- o documentation;
- o project implementation follow-up;

- o follow-up at the operation stage;
- o joint venture management;
- o impact evaluation of projects.

3.117 The above list seems to cover almost everything presently covered in the development banking training. But this is the way it has to be. We are about to witness the emergence of a new financing structure in a country which is launching planned development to cope with the problems of unemployment, inequitable distribution of wealth and opportunities, and economic dependence. Looking at the situation in its broader perspective, we are inclined to recommend that the new development bank should assume a major responsibility to train its own staff, the staff of SEDCO and IDC, other support organizations, and even commercial banks in project promotion, appraisal and followup. There is no doubt that both EDI and ADB will provide suitable assistance in organizing the new training system if and when required. The dependence on external training alone will not be an efficient solution to the problem. Besides, the time spent on institution building activities will have to be compressed substantially to make up for the time already lost.

Arab Bank for Economic Development in Africa (BADEA)

3.118 BADEA was established in 1975 in response to a resolution adopted at the sixth Arab League Summit Conference held in Algiers in November 1973. The headquarters are located in Khartoum and the bank does not have any offices at national or subregional level. The basic purpose or mission of this institution, which has been set up and funded by Arab Governments, is to contribute to the economic development of non-Arab African countries. The supreme authority within the bank is held by the Board of Governors which is composed of the Finance Ministers of member states. The Governors meet once a year. The Board of Directors which consists of a Chairman and eleven other members is responsible for day to day functioning of the bank and meets three times a year. Seven countries each holding 200 shares or more have permanent seats on the Board. These countries are Algeria, Iraq, Kuwait, Libya, Qatar, Saudi Arabia and the United Arab Emirates. The remaining 4 seats on the Board are filled by the Governors among the member countries with less than 200 shares. As of December 1981, the bank's paid-in capital stood at US\$738.25 million.

3.119 A total of 41 countries are eligible for BADEA's assistance. These countries are member states of OAU which are not at the same time members of the League of Arab States. The bank's assistance takes the form of (i) loans on concessional terms to support the implementation of specific projects, (ii) technical assistance for project feasibility studies (usually supplied as a free grant or as an advance on the loan if the bank decides to participate in the financing of the project), and (iii) mobilization of additional flow of assistance from Arab countries to non-Arab Africa. During the seven years of operation ended December 1981, the bank's financing showed the following sectoral priorities:

(i)	Economic Infrastructure	(45.44%)
(ii)	Agriculture	(25.06%)
(iii)	Industry	(19.04%)
(iv)	Energy	(10.46%)

3.120 BADEA had initiated a reorganization study in 1979 and the recommendations were implemented in 1981. The work of the bank is organized in three departments—operations; administration; information and external relations and documentation. The operations department consists of three divisions, namely East Africa; West Africa; Programming, Coordination and Studies. The Chairman of the Board of Directors, who is also President and Director General of the bank, is assisted by an advisory committee on investments and an executive committee. The new impressive headquarters building of the bank was inaugurated in March 1981.

3.121 The primary objective of the visit to BADEA was to ascertain its role in sponsoring or co-funding training for the professional staff of DFIs in Africa in view of its special status as a regional development bank in Africa. It was gathered that BADEA is primarily engaged in assisting high priority development projects sponsored by governments of eligible states. Its involvement with national DFIs in Africa has been minimal. In terms of operational priorities, technical assistance (including training) to development bankers (as against training to the staff of assisted projects and government planners) figures rather low. Any departure from this will require policy adaptation and approval by the appropriate authority and will have to be linked to a sufficiently well-designed program of technical assistance having substantial development impact. However, BADEA will favorably consider requests for use of its professional staff for teaching in project related courses sponsored by ADB-EDI-AADFI if and when required.

3.122 It may be mentioned that BADEA has very competent and experienced professional staff from several Arab and African countries. The staff members do participate at times in seminars or conferences, but there are no firm internal or external training arrangements. Some of the staff members of the bank have attended EDI courses in their previous employment. BADEA has not participated in Abidjan courses.

East African Development Bank (EADB)

3.123 EADB was established in December 1967, simultaneously with the East African Community of Kenya, Tanzania and Uganda. Its Charter, which was an Annex to the Treaty for East African Cooperation, stated EADB's principal objective as reducing 'the substantial industrial imbalances' among the Partner States and to make their economies 'increasingly complementary in the industrial field.' In light of this basic objective, EADB's functions were defined as:

- o making loans and equity investments and giving financial guarantees for specific industrial projects;
- o providing technical assistance;
- o working with national DFIs and cooperating with any other institutions to further EADB's objectives.

3.124 As EADB was essentially designed as a development financing organ of the Community, it lost its raison d'etre when the Community broke up in 1977. The initiative for financing industrial development, under the circumstances, gradually passed on to national DFIs in Kenya, Tanzania and Uganda. The period between 1977-1980 was difficult for the bank in view of the prevailing political tensions, loss of leadership at the top, resources constraints, deterioration in the investment climate, among others. It was the time when the bank faced the possibility of dissolution.

3.125 Things changed radically in 1980 with the appointment of a new Director General from Sweden. Equally significant were the changes in the EADB Charter of 1967, which provided a new expanded role and a new mission to the bank. The main changes were as follows:

- (i) EADB was designated as an international organization in its own right;
- (ii) Membership of the bank was extended beyond the three Partner States "to any state in the region" (Eastern and Southern Africa);
- (iii) The principal objective of the bank was restated to include development in the member states "in such fields as industry, tourism, agriculture, infrastructure such as transport and telecommunications, and similar and related fields of development"; and
- (iv) A new objective was added; the bank was authorized to "provide consulting, promotion, agency and other similar services for the region."

3.126 The development role of the bank will be further reinforced with the possible establishment of a Preferential Trade Area for 18 states in Eastern and Southern Africa.

3.127 Two other developments need to be mentioned: first, during 1981 the bank decided to adopt SDRs as the unit of account; and second, it set up an International Advisory Panel consisting of members enjoying high reputation in international banking and finance.

3.128 With the changes mentioned above, EADB has emerged as a strong regional development finance institution which not only provides finance for

development projects but is rapidly becoming a source for research, consulting and advisory activities in the region. The bank has a professional staff of around 40 which is well-equipped to handle financing and promotional responsibilities. Although there is no internal training within the bank, the staff is deputed to attend overseas courses/seminars with the assistance of several national, international and multi-lateral agencies. The bank has collaborated with FAO for an agricultural projects course at ESAMI, Arusha. It is expected that the bank will increasingly participate in such activities now that internal and operating problems have been nearly resolved.

3.129 One of the main reasons of the visit to EADB HQs at Kampala was to ascertain the role which the bank might play in training the staff of DFIs within its area of operation. This objective was not fully met due to extreme paucity of time and lack of prior understanding of the management structure of the bank. However, it is suggested that AADFI-EDI-ADB should establish a channel of communication with the top management of EADB and ascertain how best it could be associated in the future training programs for DFIs in the English speaking countries in Africa. It seems highly desirable that EADB should be involved in such endeavors (more particularly training in East Africa), but precise arrangements need to be evolved after consultation at the appropriate level. EADB staff has deep understanding of the development issues relevant to countries in East Africa; its increasing involvement in promotional activities, besides existing collaborative relationships with national DFIs, demand its participation in professional staff development activities, particularly at the sub-regional level.

An Inventory of Training Needs

3.130 The above description of individual DFIs provided a general microscopic assessment of training needs. While there are areas of agreement regarding the felt and the perceived training needs, some DFIs have unique requirements consistent with their mission, socio-economic situation in the country and levels of skills/expertise of staff. Some comments are therefore in order:

- (1) Out of 27 institutions visited during the field survey, only 4 have well established internal training programs for its staff. This is in sharp contrast to the findings of a similar survey of Asian and the Pacific DFIs conducted during 1981 by UNIDO for ADFIAP. It was found that 27 out of 40 institutions had well-developed training facilities. The lack of internal training facilities in Africa has clear implications for sub-regional and regional training. Till the time internal training capabilities are fully developed, sub-regional and regional programs will have to be designed in such a way that a large part of these needs is fully satisfied.
- (2) Agricultural or mixed development banks constituted a small minority (around 8) in the sample of institutions selected for this survey. Therefore, in the aggregation process training

needs of these institutions, which are more specific to financing of agricultural and rural projects, ranked rather low. In fact, these are mentioned at the end of the prioritized list of training needs given below. However, from the perspective of these institutions these needs are most important. It does not imply that an industry oriented development banking program is completely irrelevant to these institutions. Most of the techniques for project appraisal and supervision are neutral in the sense that they are equally applicable to industrial, agricultural or any other kinds of development projects. However, agricultural financing has some unique attributes which can best be dealt with in a program designed for the purpose. This note of caution is important and must be kept in view while examining the overall inventory of training needs.

- (3) The training needs have been rank-ordered depending on the number of responses received from individual DFIs. This approach serves only one purpose, i.e. focusing attention on the most critical and comparatively urgent training needs, but certainly it does not mean that lower ranked needs can be ignored for the time being. In fact, the strategy advocated in this report is to meet all these needs in a systematic way within the shortest time possible.
- (4) One of the more important tasks assigned to the mission was to evaluate the effectiveness of the present Abidjan (English) course conducted by EDI-ADB-AADFI. Although Abidjan course with a little bit of restructuring can effectively respond to the identified training needs, it would be naive to imagine that all these needs can be met by just one course, however well-organized it might be. Therefore, we would like to address the question of designing appropriate programs for meeting those training needs in the last part of this report.
- (5) The training needs mentioned below relate mainly to the junior and middle-senior level operational staff. The training needs of top and near top managers are assessed separately (paragraph 3.133).

3.131 The identified training needs have been classified into 14 broad segments. Each segment contains some specific topics, deemed to be more critical from the operational viewpoint, to facilitate designing of appropriate training modules/programs.

- (1) Project Follow-up and Supervision
 - o Importance of follow-up and supervision
 - o Project scheduling techniques

- o Disbursement procedures
 - o Procurement procedures
 - o Covenant and security arrangements
 - o Programming and budgeting
 - o Follow-up information system at implementation and operation stage
 - o Role of nominee directors
 - o Financial performance evaluation
 - o Why projects fail (an overview of managerial, technical, marketing and financial problems and suggested remedial measures)
 - o Rehabilitation of sick units (restructuring capital base, change of management, modernization of equipment, diversification of activities, etc.)
 - o Joint-venture management
- (2) Economic Analysis (Appraisal)
- o Importance (Why economic analysis?)
 - o Basic concepts
 - o Principal approaches
 - o Calculation of EIRR (World Bank approach)
 - o Calculation of DRC
- (3) Financial Analysis (Appraisal)
- o Interpretation of financial statements
 - o Calculation and interpretation of financial ratios
 - o Financial projections
 - o The concept of time value of money
 - o Calculation of FIRR
 - o Capital and operating costs

- o Working capital
 - o Sources of finance (including debt-equity relationship)
 - o Breakeven and sensitivity analysis
 - o Debt Service Coverage Ratio (DSCR)
- (4) Training of Trainers
- o Management of training function
 - o Training skills and methods
 - o Use of teaching aids
 - o Development of teaching materials
- (5) Project Identification and Preparation
- o Data collection, storage and retrieval
 - o Project identification techniques
 - o Project preparation
 - o Project reshaping
 - o Preparation of feasibility and project reports
- (6) General Management
- o Communication
 - o Teambuilding
 - o Decision making
 - o Motivation
 - o Leadership
 - o Negotiation
 - o Personnel Management
- (7) Market Analysis
- o Techniques of market analysis

- o Collection of information (information system for market analysis)

(8) Technical Analysis

- o Selection of site
- o Infrastructure support
- o Selection of technology
- o Procurement of equipment
- o Civil construction
- o Raw materials
- o Utilities
- o Product quality control
- o Contracting

(9) Development Bank Policies and Management

- o Objectives/basic purposes
- o Internal and external resource mobilization
- o Diversification of DFI activities
- o Co-financing
- o Management advisory and consulting services to clients
- o Entrepreneur development programs
- o DFI financial policies

(10) SSEs

- o Importance of SSE
- o Promotion of SSEs
- o Special problems of SSEs, tiny/cottage industries
- o Counseling

- (11) Management Appraisal
 - o Importance
 - o Current practices
 - o Evaluation of personal, managerial and entrepreneurial attributes
- (12) Accounting and Auditing
- (13) Impact Evaluation
 - o Project completion reports
 - o Impact evaluation
 - o Policy implications
- (14) Agricultural Sector (See subparagraph 3.130(2) above)
 - o Planning and preparation of agricultural projects
 - o Appraisal of agricultural/farm loans
 - o Implementation and supervision of agricultural projects
 - o Planning and appraisal rural development projects
 - o Agro-industrial projects

3.132 An interesting point made during several high level discussions touched upon the training needs of chief executives, general managers and other near top managers in several institutions. The available information revealed that (a) there were very few top-management training opportunities in Africa, (b) a majority of the chief executives interviewed would like to attend one to two week seminars relating to operational aspects of development banking, management of people, growth and development of their organizations, (c) there was insufficient contact between chief executives of African DFIs and contacts with DFIs in other parts of the developing world were almost non-existent. In this connection, it was mentioned, that EDI courses/seminars served an important purpose by exposing the participants to ideas and practices of high level officials from almost all parts of the world. World Bank missions also served the same purpose somewhat differently.

3.133 The top-management training needs may be divided into 5 broad areas:

- (1) Policy Formulation

- Preparation of policies, selection of operating strategies in terms of basic purposes and mission of the institution
- Nexus between DFI policies and national development goals accepted by the government
- Participation in sector level policy formulation (industrial, agricultural, financial, etc.)
- Linkages with government and other para-statal organizations
- Coping with rapid changes in DFI's operating environment through appropriate policy responses
- Business forecast plans and performance evaluation

(2) Resources

- Mobilization of local currency and foreign exchange resources
- Attracting high quality staff, training and developing them, building a highly motivating work climate, performance appraisal, levels of compensation, etc.
- Meeting gaps in key expertise areas (mostly technical), selection of expatriate advisors and involving them in the process of institution building
- Negotiations with officials of international/regional institutions (World Bank, ADB, aid agencies, etc.)

(3) Clients

- Identification and development of new entrepreneurs
- Identifying new projects/investment opportunities
- Instituting sound systems for project appraisal/project selection criteria
- Introducing a sound (dependable) system for project reporting and monitoring
- Bringing about structural changes in sick/ailing projects and rehabilitating their operations
- Improving recovery (debt collection) practices

(4) New Directions

- Diversifying operations of DFIs to include high revenue yielding activities
- Finding new ways to meet the needs of clients
- Helping diversification and relocation of industrial ventures (moving industries to comparatively less developed areas)
- Improving staff productivity, morale and reducing staff turnover

(5) Support Systems/Services

- Introducing computerization
- Personnel and administrative services
- Internal training (Why training?)

3.134 As far as senior managers are concerned (particularly those who are well conversant with technical aspects of development banking), it was found that management training, mainly relating to institutional building aspects, was crucial. This training will consist of following core segments:

- (1) Policy related issues (some of which are included in the training for chief executives).
- (2) Management and institutional building aspects (problem solving, decision making, leadership, motivation, communication, negotiation and OD).
- (3) Training and staff development capabilities. (The officers at this level are generally used by DFIs in internal training activities; for those institutions which are about to start in-house training this aspect is extremely important.)

PART IV

TRAINING POLICIES, ARRANGEMENTS AND IN-HOUSE TRAINING CAPABILITIES

General Observations

4.1 In Part IV of the report we shall examine the present training policies, arrangements for staff training and in-house training capabilities of DFIs included in this study.

4.2 It is observed that training policies in most of the institutions are aimed at enhancing and updating technical and managerial skills of the professional staff besides motivating them to higher levels of performance. However, it is not a common practice to explicitly articulate these policies as is done in the case of, say, financial/credit policies which are clearly addressed to the potential clients. This invariably leads to ambiguity and ad-hoc planning in the area of staff development. At least some DFIs are in the process of preparing staff development plans covering a period of next 2/3 years under the guidance of some international lending institutions. However, looking to the general lack of experience in this area, it is worthwhile suggesting that some training be provided to personnel and training administrators either within or outside Africa. This should be in addition to the training of trainers programs, the need for which has been clearly established (paragraph 3.131).

4.3 Out of 25 national DFIs included in this study, it was found that only 4 DFIs (located in 2 countries) have well-established internal training programs and facilities (Annex 3). Altogether these DFIs train nearly 350 professionals every year, which constitutes about 40% of their total professional staff. In some cases, training is also provided to the non-professional staff though principally it is focused at the professional staff.

4.4 Seven DFIs are likely to commence internal training programs in the near future and they require external assistance particularly for training some internal trainers and developing case studies (Annex 4). The physical facilities may be financed out of own funds or, as in some cases, out of TA component of foreign institutional loans. But in several other cases (where internal training is still a non-priority consideration), stringent foreign exchange controls make it rather difficult, if not impossible, to import pedagogical aids.

4.5 There seems to be a strong link between the total staff strength and the internal training effort and organization (Annex 5). Those institutions which conduct training sessions have a staff strength of nearly 500 or more employees. Some DFIs which are actively considering commencement of internal training have in excess of 100 employees. It was, however, found that even some small DFIs (total staff less than 100) are also keen to start some kind of internal training, which may take the form of occasional staff seminars,

lectures by visiting experts and contact program with clients in major industrial segments. The main constraint for launching such a program seems to be inadequacy of space (it may be mentioned that many DFIs are willing to allow the use of the boardroom for this purpose) and undeveloped pedagogical skills on the part of the professional staff. In this context, programs like training of trainers will be of great value to those DFIs and should provide desired stimulus to undertake such an effort on an organized basis.

4.6 Many DFIs in Africa have expatriate advisers funded by several international agencies and some more are on the point of appointing such advisers. However, it was found that these advisers do not participate in institution-building activities outside their area of expertise. A thought was shared by some chief executives to the effect that expatriate advisers should play an active role in staff development activities. Furthermore, an ability to train in addition to one's basic specialization should be an important criterion in the selection process. This idea needs serious consideration.

4.7 Some of the institutions are showing interest in training certain categories of specialists (engineers, for instance) for whom classroom sessions have limited value. In-house attachment is traditionally considered to be a useful method of training those specialists, but at least one DFI is considering a multi-dimensional approach covering individual work plans, special assignments, specially tailored attachments, among others (paragraph 4.61).

4.8 Institutions in Africa generally attach great importance to graduate and post-graduate education (particularly in economics, finance and management) in foreign universities for their younger staff members. This is considered necessary as there are no comparable educational opportunities in many of these countries. The cost of such education is met through TA components in loans raised from international institutions, particularly the World Bank and IDA. In other cases where TA is not available, funding of those programs is becoming extremely difficult. It is highly unlikely that AADFI or institutions supporting AADFI's activities would spare funding for such long-term educational programs. Nevertheless, there seems to be a need to focus greater attention on economic and managerial issues in the existing as well as new programs. Such orientation will not be a substitute for the basic education in certain relevant disciplines, yet it can serve a useful purpose by initiating a self-learning process on the part of the trainees whereby they improve their skills through reading and application of concepts. Increased use of case studies will be helpful in this regard.

4.9 The comments given above provided an overview of training issues at the cross-national level. The position at (micro) institutional level is quite different (there are differences between countries and institutions within the same country). The institutional profiles contained in the following paragraphs should therefore help in deepening one's understanding of the situation as it exists at present.

Development Industrial Bank (DIB)

4.10 Training has played an important role in the growth and evolution of DIB. Major assistance in this regard has been received from USAID which has funded project oriented courses by A. D. Little for DIB staff and has provided technical assistance by a consortium of two management consultancy companies, viz. Price Waterhouse and R. Robert Nathan Associates. Advisory services were also funded by OECD. The World Bank has channelised technical assistance for SMIs through DIB besides allocating provisions in its credits for meeting those technical assistance needs which are not covered by USAID or OECD grants. This included (i) provision of on-the-job training to DIB staff in specific aspects of project appraisal, particularly market analysis and economic evaluation, (ii) training of DIB staff in overseas financial institutions; and (iii) acquisition of training aids.

4.11 The above-mentioned arrangements have enabled DIB to train its staff in UK, Japan, West Germany besides ADB and EDI courses. This coupled with local and internal training programs has enabled DIB to attain a training coverage ratio of over 50% in a particular year, which is very high compared to other institutions in the region.

4.12 The physical facilities for internal training are quite good and modern teaching aids have been acquired and are being used. The training set-up is being strengthened by two new positions--a deputy manager and an assistant manager. DIB has also evolved its own teaching materials, particularly in the area of feasibility studies. However, DIB considers that its need for trained trainers has not been fully met and would welcome assistance from EDI-ADB-AADFI in this regard.

4.13 The training policy, as reflected in the training plan for 1982-83, emphasizes development of new skills through concept learning and practice. DIB has made efforts to determine training needs of its staff through job descriptions, new job regulations/rules, management decisions, reactions of staff and performance appraisal reviews. Based on this needs assessment, following areas have been selected for internal courses:

- (i) Induction Course for New Staff Members
- (ii) Term Lending and Development Banking (with emphasis on SSI financing, external resources, follow-up and supervision, finance and accounting, auditing, personnel administration)
- (iii) Language Training (English)
- (iv) Training for Secretaries and Support Staff
- (v) Training in Computing and Word Processing

4.14 Other specialized training needs, as mentioned in paragraph 3.7 will be met by deputing professional staff to courses at Bradford (UK),

Abidjan (ADB-EDI), Japan, and training offered by CBE (Central Bank) locally. Foreign experts are also expected to provide assistance in running more specialized courses on in-house basis.

Misr Iran Development Bank (MIDB)

4.15 The present staff strength of MIDB is around 150, of which 100 are professionals. Like many other private DFIs the accent seems to be on a high degree of professionalization. The professionals come from various academic disciplines such as economics, law, finance and accounting, market and marketing, among others. The total strength of the professional staff is divided into three layers (senior, middle and junior) almost in equal proportion.

4.16 While the bank attaches great importance to staff development, no explicit statement of training policy is available. This is due to two reasons: first, preference for prior job experience in investment banking (which is supplemented by on-the-job training) and, second, dependence on outside training (both local and overseas). The bank is yet to evolve its internal training programs, though 10-15 professional staff are trained outside every year. The professional training institutions seem to be universities (particularly American University at Cairo), central bank's training facilities, EDI and EDI-ADB courses at Abidjan, short seminars offered by the local institutions (particularly those which are industry related). By making effective use of opportunities outside the bank, it has been possible to achieve a satisfactory training coverage ratio. Yet for the growth of the institution in future, it is critical that training within the bank is undertaken on a planned basis. This seems to be necessary for a variety of reasons: it would facilitate greater integration of training efforts, i.e. passing on the benefit of external training to those members of the staff who are not so exposed; evolution of a distinctive style of functioning and MIDB's operating philosophy; more balanced attention to the development of required skills in the context of a fast changing operational milieu; effective involvement of the senior staff in the development of the new and junior staff. Internal training could also lead to substantial savings in costs and executive time as nominations for external programs would then be more selective and cover only those areas which are outside the purview of the internal training programs.

4.17 MIDB has received full support of external lending agencies (particularly the World Bank) in its efforts of sound institution-building. These efforts, at this juncture of the evolution of MIDB, call for an internal training strategy to supplement on-the-job training and external training programs. And there seem to be no major impediments in the speedier implementation of this strategy as (i) constraints of office space have been overcome, (ii) MIDB has adequate resources to procure needed equipment, (iii) well-experienced and competent resource persons are available within the bank, and (iv) expansion/ diversification of activities means unsatisfied training needs if the dependence on external training is to continue. There might well be a shift in the hiring policy of the bank so that prior job experience may

not be considered an essential requirement as it was in the early days of operations when the staff base was rather limited. In fact, this may be the right time to induct more fresh graduates at comparatively lower wage costs and to train them as per operational needs. This approach has worked extremely well in many other private or private oriented DFIs.

4.18 The steps in formulating internal training programs (as an illustration) may be as under:

- (i) Training of some key operational staff in the methods and techniques of training;
- (ii) Development of case materials based on MIDB's own experiences;
- (iii) Creation of physical infrastructure so that training may be conducted for 15-20 participants at a time;
- (iv) Concentration in the beginning on areas such as investment promotion and joint venture management*;
- (v) Making internal training an integral part of MIDB's overall promotional strategy, which means opening internal training programs for participation, on a selective basis, by the staff of joint-venture projects assisted by it and staff of other banks in Egypt and outside who may require specialized training in investment/development banking. Such participation would help MIDB's staff in gaining an understanding of diverse viewpoints as much as it would help others to appreciate the bank's procedures and practices.

The Principal Bank for Development and Agricultural Credit (PBDAC)

4.19 The Principal Bank, in view of the apex character of its operations, has an immense responsibility to train not only its own staff, but also the staff of affiliate government banks. The numbers are large; the Principal Bank has a staff of 3200 and the affiliate banks have around 30,000 people working for them.

4.20 The bank prepares a training plan every year which includes an assessment of the training needs of the bank and its affiliates. Specific programs are designed to meet those needs. The plan is taken up for implementation after it is approved by the Chairman and the Board.

4.21 An interesting aspect of the bank's training is the emphasis on management training. Nearly 200 trainees attend management oriented courses

* It may be mentioned that there are few opportunities for such training locally and MIDB has accumulated valuable experience in these areas.

every year. The second category of training is, what is called, the specialized training. These are function related courses which are attended by nearly 2000 staff of the bank and its affiliates. Some of these programs are repeated from year to year and include topics like banking, accounting, feasibility studies, rural development, use of fertilizers and insecticides, farm machinery, general administration and language training.

4.22 As far as training facilities are concerned, there are two rooms which are available for classwork. The equipment includes public address system, projectors, flip charts, etc. The bank is proposing to acquire a closed circuit TV system for language training for which there is felt need. In order to diversify its instructional methodology, the training department has used in the past role plays, self-assessment exercises, audio-visual presentations with encouraging results.

4.23 In addition to the internal training activities the bank sponsors about 400 staff members every year to local training and educational institutions such as the National Planning Institute, Management Training Center, American University and Arab Management Work Group.

4.24 The bank also participated in training programs outside Egypt (including EDI) though precise data in this respect was not easily available.

Agricultural and Industrial Development Bank (AIDB)

4.25 As already mentioned (paragraph 3.21), AIDB has highly qualified and experienced professional staff of 116, a majority of whom has served the bank for 5 years and more. Strengthening of staff has become essential as a number of experienced professional staff members were moved to other public corporations after 1974. 17 professionals were added during April 1981 and January 1983. The process of staff expansion is expected to continue in view of projected growth of agricultural and industrial project lending. Further, being the sole development bank in Ethiopia AIDB is looked upon as a store-house of professional expertise by Government and public corporations. It is expected that the total number of professional staff would rise to 150 during the next three years.

4.26 AIDB has a Training Division under the charge of a training officer, whose main function is coordination and management (scrutiny of program announcements, nomination of participants with the approval of the management, feedback/evaluation, etc.) of training outside the bank. No training is imparted in-house. The three main centers for staff training locally are Ethiopian Institute for Banking and Insurance (EIBI), National Productivity Center (NPC), and Training Department of the Ethiopian Airlines. Of these institutions EIBI needs special mention.

4.27 EIBI was established in 1965 by the Commercial Bank of Ethiopia, the only commercial bank in Ethiopia. Following the reorganization of the banking industry in 1974 EIBI was taken-over by NBE (Central Bank) and it now functions as a specialized wing to impart training to the staff of commercial bank,

AIDB, housing and savings bank and insurance corporation. The institute has a Board of Trustees comprising Governor, his deputy, general managers of 4 financial institutions, a professor of the local university and the director of EIBI. The director is assisted by an assistant director and 3 department heads of diploma classes, management development and technical (operational) training. The core course offered by EIBI is a three year (part-time/evening) diploma in banking and insurance. The classes are held 6 days a week 1-1/2 hours per day in two semesters viz. September - February and March - July each academic year. The course components include basic economics, bookkeeping, law, economy, accounting, international trade and finance, financial management, money and banking, banking practice, elements of management, credit analysis, among others. Eleven and 9 staff members of AIDB were attending this diploma course during 1981 and 1982, respectively. Seven staff members have already obtained the diploma. This course, which intensively covers basics of banking, is well-suited to meet the needs of clerical and junior staff in banks.

4.28 The second category of course organized by EIBI is ATEM (Arts and Techniques of Effective Management) which is of three days duration and held 4 times a year in locations outside Addis. The course has been primarily designed for bank branch managers. The contents include basic management. Operations oriented technical programs constitute the third type of courses offered by EIBI. These courses are short-term (3 days to 3 weeks) and are aimed at meeting training needs of commercial bank and insurance corporation.

4.29 Although the banking industry is by and large satisfied with the quality of instruction provided by EIBI, the institute is unable to meet the training needs of AIDB's professional staff on account of following reasons:

- (i) EIBI does not offer any training in project appraisal, follow-up and supervision;
- (ii) The teaching faculty, which numbers 3 department heads, has no experience of development banking;
- (iii) Most of the teachers are drawn from the university, and other institutions on a part-time basis;
- (iv) With the exception of diploma course, training programs are of a very short duration to have any strong impact on the participants; and
- (v) Training methodology seems to be heavy on lectures and provides little action learning except diploma course which employs substantial practical work.

4.30 As already mentioned, these limitations are relevant only from AIDB's operational angle and do not constitute any reflection on EIBI's quality of instruction in banking and insurance. In fact, EIBI seems to be very well-organized and may be included among few really effective banking

institutes at the national level in East Africa. EIBI is planning to construct a new six story building and expand its training operations during the next few years. It is proposed to upgrade the existing diploma into a degree in banking through both whole-time and part-time instruction. In these efforts EIBI deserves support of international training institutions.

4.31 The other two local training institutions, viz. NPC and Ethiopian Airlines are relevant to AIDB for the general management training provided by them in short-term courses. Ethiopian Airlines courses enjoy good reputation locally. NPC, which is supported by ILO and UNDP, offers training in rural development projects, corporate planning, management accounting, personnel management besides production related and inplant training.

4.32 The above description of local training opportunities shows how badly AIDB is dependent, and rightly so, on overseas training in development banking. During 1981 and 1982 it sponsored 8 professionals each to attend courses in Italy, Ivory Coast, United States, India, Finland, Senegal, Kenya, Netherlands and United Kingdom. This included one participant who attended EDI's Rural Projects Course and three participants who were deputed to Abidjan courses. As the relevant courses abroad are few in number, an effective staff development strategy has to focus on developing in-house training capabilities. There are many factors which favor this approach such as availability of professionals trained at EDI and Abidjan who have brought with them valuable training materials and experiences; possibility of developing more appropriate training materials based on AIDB's rich experience in industrial and agricultural financing; availability of foreign exchange funds in IDA and IFAD credit projects for use in institution building, training of key personnel abroad (who could be used as resource persons).

4.33 The present management of AIDB is deeply committed to staff development and seems to favor the idea of in-house training. The principal constraint in this regard is the availability of trained trainers. Only one staff member has so far received such training in Finland. AIDB feels that the availability of 3/4 similarly trained personnel would insure a good quality internal training program. While this objective could be achieved over a period of time, it was suggested and agreed that

- (i) AIDB will commence some internal training in 1983;
- (ii) the initial thrust of this effort will be induction training for newcomers and training in financial/economic analysis;
- (iii) a training room, sufficient to seat about 20 people, will be furnished in the bank's premises;
- (iv) some essential equipment needed for training will be procured under training components of IDA and IFAD projects;
- (v) the bank will aim to depute abroad during 1983 about 15 professionals, with the funding available under foreign

credits, in various relevant areas to strengthen organization's professional base for implementation of some key industrial and agricultural projects and AIDB's routine expansion needs;

- (vi) should the preparation of internal physical facilities be delayed, EIBI's existing facilities will be used for the purpose of internal training; and
- (vii) AIDB will expect EDI-ADB-AADFI to help it train 3/4 trainers from its operational staff during the next three years so that internal training program has a strong faculty input from inside the organization.

4.34 For reasons already explained, AIDB has not propounded any training policy so far. This aspect is likely to find fuller expression in the staff development plan under preparation. But some of the components which are likely to figure in this policy are:

- (i) careful selection of personnel for overseas training, particularly the potential to act as an internal change agent through participation in training and organization development activities;
- (ii) except diploma and degree courses, management training shall not exceed 6 months;
- (iii) junior and junior-middle staff will be provided more opportunities to participate in internal and local training programs;
- (iv) training activities shall be aimed at achieving greater coordination and harmony between instruction and operational needs.

Development Finance Company of Kenya Ltd. (DFCK)

4.35 DFCK has a professional staff of nearly 34 (as of February 1983) and as such it is not considered feasible to conduct any in-house training. However, training has enjoyed a high priority with the management as may be seen from data concerning participation in training programs given below:

<u>Year</u>	<u>Local/National</u>	<u>Overseas</u> <u>Training</u>	<u>Attachment</u>
1977-78	4	11	1
1979	4	9	-
1980	13	4	-
1981	2	9	2
1982	2	9	1
	<u>25</u>	<u>42</u>	<u>4</u>

4.36 It may be seen that almost every professional staff member is exposed to some form of training once in two or three years, which is quite a satisfactory position. The foreign institutions where DFCK staff has been deputed for training or attachment are Bradford University, Georgetown University, EDI, IDA (Dublin), ADB (Abidjan), ESAMI (Arusha), ICICI, among others.

Industrial and Commercial Development Corporation (ICDC)

4.37 As mentioned in paragraphs 3.29 - 3.33, ICDC depends on external institutions (mainly KIA) for training its staff. Such training is often conducted on an in-company basis. About 5/6 officers are also sponsored every year for overseas training. This number is not consistent as much depends on available opportunities and funding.

4.38 Having regard to the apex character of ICDC in the hierarchy of Kenyan institutions, it seems appropriate that ICDC should take the initiative to organize a Management Training Center for training its own staff, staff of subsidiary companies, IDB and DFCK. The number of professionals in 3 Kenyan DFIs at 148 (IDB 45, DFCK 34, ICDC 69) besides several other development corporations (KIE, Housing Finance Company of Kenya etc.) and wholly-owned enterprises of ICDC makes it a viable and attractive proposition from the viewpoint of not only the target market (participants) but also the diversity of resource persons available in these institutions for teaching. The Center can also take up the National Development Banking Course, which has been successfully tried in many Asian countries. Provided that ICDC is willing to invest in physical infrastructure (lecture rooms, training aids, printing etc.) along with some permanent staff, it should be possible for other institutions like ADB and EDI to provide assistance through AADFI in planning and designing of programs as well as teaching support during the initial few years. The initiative for this, however, has to come principally from ICDC, IDB and DFCK. The expansion of local training would undoubtedly minimize the dependence on foreign training institutions. The foreign institutions which are presently funding the major cost of overseas training for individual officers may also be approached for some funding support, if necessary.

4.39 Another alternative worth consideration is a Sub-regional Development Banking Program in association with financial institutions in Tanzania and Uganda under the joint directorial responsibility of ICDC and EADB. In this case too ADB and EDI should be in a position to provide the desired teaching support as may be required.

Industrial Development Bank (IDB)

4.40 As mentioned in paragraph 3.37 earlier, IDB is not conducting any internal training at present. Some short-term seminars were conducted during 1977-79 and thereafter it has been depending upon local and foreign institutions for training its staff with assistance from a variety of international institutions including the World Bank.

The number of IDB professional staff members who attended seminars/courses locally/nationally and abroad during the period 1977-82 is shown below:

Year	National or Local	Overseas
1977	4	4
1978	-	8
1979	4	9
1980	12	4
1981	-	13
1982	<u>1</u>	<u>11</u>
	22	49 (This includes some overseas
1983 (projected)	<u>5</u>	<u>16</u> institutional attachments)

4.41 It may be seen that though IDB is not conducting any in-house training, training coverage ratio is quite good. Some of the important overseas institutions where IDB staff has received training include University of Bradford, ESAMI (Arusha), IDA (Dublin), PDCP (Manila), ADB (Abidjan) and EDI.

4.42 IDB is showing keen awareness of the importance of in-house training, particularly the need to recycle inputs received from the foreign training institutions. It is therefore expected that IDB may recommence short seminars in the near future.

Agricultural and Cooperative Development Bank (ACDB)

4.43 The management of ACDB attaches great importance to training and staff development for its long range benefits in performance improvement and as a tool of institution-building. Training is in a way also a necessity inasmuch as most of the new employees enter the bank without any exposure to the banking practices. It is essential for the bank to provide them with training opportunities so that the staff is fully involved in the operations of the bank. The present internal training activities are limited to induction training to new employees. There are no regular training facilities and no full time trainers. ACDB, therefore, feels that training of some internal trainers and the availability of teaching materials and aids would reinforce the present system.

4.44 As far as external (overseas) training is concerned, normally 4 professional staff are selected every year for training at West Africa Center for Agricultural Development (Sierra Leone), CDC (Malawi), ADB (Abidjan), Arthur D. Little's Institute and American Universities such as Wisconsin, Ohio and Syracuse. ACDB participated in Abidjan course for the first time in February 1983.

Liberian Bank for Development and Investment (LBDI)

4.45 With a professional staff base of only 29, LBDI does not consider it feasible to conduct regular internal training programs. Efforts are, therefore, made to depute staff for external training programs as and when possible. The participation in the Abidjan course was found to be of use to the bank and it is proposed to depute more staff members in similar future courses.

4.46 LBDI also attaches great importance to basic education in economics and business administration and presently 5 professional staff members are studying in the U.S. for master's degrees in these disciplines at American universities. These staff members will be located in projects and supervision departments on their return.

Nigerian Agricultural and Cooperative Bank (NACB)

4.47 Training and staff development have enjoyed great priority with the management of NACB. A Manpower Development and Training Division was set up to take charge of all matters concerning manpower development and a senior officer was entrusted charge of this division.

4.48 Training is broadly divided into two categories--in-house and external. For the purpose of external training NACB makes use of universities in Nigeria and other professional organizations. Training outside Nigeria takes place in some reputed Western universities besides EDI-ADB courses in agriculture and agro-industries.

4.49 Internal training has five well designed segments, namely

- o Accounting
- o Administration
- o Secretarial
- o Project Appraisal and Implementation
- o Branch Managers' Program

4.50 These programs are organized on a zonal basis, which is an effective approach considering the nationwide spread of bank's activities. The bank has 5 full-time trainers and around 10 part-time resource persons. This is extremely satisfying considering that a large majority of African institutions lack trained teaching staff. As most of the courses are held in the regions NACB makes use of hotel facilities outside its offices. In order to further reinforce its internal training systems, NACB is attaching great importance to the development of more trainers and preparation of suitable training materials.

Nigerian Bank for Commerce and Industry (NBCI)

4.51 Since its inception NBCI has attached great importance to training and staff development. But apparently due to certain constraints such as office space and non-availability of trainers, no training unit has been established. Lately this aspect has received management's attention and it may be hoped that after shifting to the new building some space will be reserved for training activities. However, it is critical that the bank should take steps to train a few of its staff members who can manage and run the courses.

4.52 Due to the lack of internal training facilities, the bank has been deputing its staff to attend courses locally, namely universities, Administrative Staff College, Center for Management Development. However, the relevant local opportunities are so few that the bank has to depend on overseas training though the cost is very high. The favored places for overseas training are American universities, Arthur D. Little's Institute, IDA (Dublin), FINAFRICA (Milan) besides ADB-EDI's course at Abidjan. A few of the bank's staff members have received training at EDI, Washington, D.C.

4.53 It is interesting to note the way training opportunities are scanned, on a world-wide basis, by the Administration Department. The whole effort is to diversify the range and coverage of courses so that staff members are exposed to a larger variety of experiences. There is still a large number of young officers who are sent abroad for education oriented courses. The effort which goes into consolidation of training information becomes a valuable tool for planning staff training and management decision-making.

4.54 NBCI also attaches great importance to in-house attachment of its staff with leading foreign banks. This has greatly helped staff members in gaining skills which are somewhat difficult to impart in classroom training.

4.55 Looking at the total effort and the expense incurred by the bank in training its officers in foreign training centers, it would seem that the bank would be well-advised to set-up its own training center to organize initially some routine type of courses. Further, the availability of training facilities would help training staff at the lower levels, which are exposed to overseas training. This is important in the context of widening the range of purely banking services.

Nigerian Industrial Development Bank Ltd. (NIDB)

4.56 NIDB has endeavored to strike a fine balance between in-house and external training and in retrospect one can say that the system has worked extremely well. The internal training unit provides training which covers

- Induction training for the newly recruited staff; at least 2 courses of 1 week each every year

- The Industrial Project Analysis and Management Course; 2 courses of 6 week duration each every year. This course is meant for experienced middle level staff and is very comprehensive in nature. In terms of instructional methodology and faculty inputs the course is comparable to several regional and international programs conducted within and outside Africa.

4.57 The training unit also conducts some courses for junior and non-professional staff such as accounting course for supervisors, secretaries course and skill improvement course for drivers. The total output of training unit is about 30 professionals and 75 other staff every year.

4.58 While developing and enhancing internal training capabilities, NIDB has continued to avail of training opportunities abroad, particularly in areas such as development planning, development administration, project analysis, and development finance. The preferred institutions for this kind of training are EDI, DBC (India), PDCP (the Philippines), Irish Management Institute, IDA (Dublin), ADB (Abidjan), IMEDE, Project Planning Center, Arthur D. Little's Institute, Mass., JDB (Japan) besides attachment with leading international banks.

4.59 The Manpower Development Department (MDD), which handles internal training, has access to the following support facilities:

- Trainers - Nearly 12 experienced operational staff members who provide faculty support. There are also 5 external experts who are called in as and when required.
- Teaching Materials - 83 course notes for project analysis courses and 20 course notes for induction training. There are 6 well-developed and tested case studies with solutions.
- Physical Facilities - One large seminar room with a seating capacity of about 30, 2 tutorial rooms for small group discussions, built-in chalk boards, overhead projectors, slide projectors, radio/cassette recorders; video tape recorder (VTR) may be added in the near future.

4.60 Needless to mention that NIDB training support facilities are not only outstanding among West and East African DFIs, they are fit to be used for a regional course/seminar.

4.61 One of the complicated training issues faced by DFIs all over the world is training of the technical staff (engineers) inasmuch as classroom training in the conventional sense serves only a limited purpose. NIDB is trying to grapple with this issue in consultation with visiting World Bank missions and the provisional action plan in this regard may have the following components:

- (1) MDD to prepare specific individual work programs along with monitoring of progress and performance.
- (2) Utilization of senior managers with engineering background in the implementation of (1) above.
- (3) Specially tailored "attachment" programs with institutions like ICICI, PDCP, IDBI, Korea Long Term Credit Bank.
- (4) Short-term staff assignments with major contracting or construction companies in Nigeria.
- (5) Short-term seminars on specific industries/sub-sectors (typically assisted by NIDB in collaboration with industry associations.)
- (6) Greater internal coordination and cross-fertilization of ideas and feedback.
- (7) Establishment of an NIDB engineering consulting firm or pending this use of external consultants with NIDB staff assigned as counterpart.
- (8) Recruitment of a highly experienced expatriate technical advisor for 1-2 years.
- (9) Linkages with national institutions, particularly Federal Institute of Industrial Research, Institute of Technology, Engineering Faculties of Nigerian Universities for access to technical information, library, documentation and new industrial developments.

4.62 The above action plan is well-conceived and there is no doubt that it will go a long way in enhancing capabilities of engineering staff of NIDB besides setting up a good example for other DFIs to emulate.

4.63 In the light of what is stated above about NIDB's training capabilities, it is recommended that both EDI and ADB should forge a closer working relationship with MDD which is well-equipped to handle a regional course. The management of NIDB is willing to assume such additional responsibilities as may be required for the purpose. Such an approach would be in line with what has been successfully tried in other parts of the world, particularly Asia (for instance PDCP, DBP, MIDP, IFCT, KDB, IDBI) where institutions with well developed training facilities have handled regional or international programs sponsored by ADPIAP, EDI, Asian DB, DSE, UNIDO and UNDP. Such experiences have been extremely valuable not only to the collaborating DFIs but also to other DFIs which participated in these courses insofar as the course gets the professional backup support of an experienced DFI. This approach to the development banking training in Africa on a large cross-national basis will result in progressive numerical increase in well-developed sub-regional training centers whereby both ADB and EDI will be able to

delegate responsibilities for course design and implementation to the collaborating DFIs. This proposal merits serious consideration.

New Nigeria Development Company Ltd. (NNDC)

4.64 As mentioned in paragraph 3.68 above, NNDC does not conduct any in-house training. This position is unsatisfactory inasmuch as NNDC has a responsibility for a very large number of associate and subsidiary companies and is financially well-placed to offer training to the professional staff of the entire group. In this context, NNDC's proposal to establish a Management Development Center with adequate trained staff is a sound proposition and deserves full support.

4.65 For this purpose NNDC needs assistance in planning and designing physical facilities, selection and training of trainers and teaching materials. NNDC is in the process of selecting suitable consultancy arrangement for the project.

Agricultural Bank of Sudan (ABS)

4.66 ABS has a total staff strength of 638, of which 219 are professionals. The size of the organization and variety of tasks, require an intensive in-house training effort. But due to several constraints, no internal training is being currently undertaken. An important step in this direction was the setting-up of a training section in 1982 at BO for coordinating and managing the training function. The important centers of staff training locally are Banking Studies Institute of the Bank of Sudan, Management Development and Productivity Center and University of Khartoum. The most preferred center for training abroad is Near East North Africa Regional Agricultural Credit Association in Jordan. Besides, four officials have so far participated in EDI courses and one of them has attended an agro-industry course at Abidjan. During the period of last 20 years 36 employees were sponsored to obtain post-graduate degrees locally and abroad and 27 of them continue to be in the service of the bank. The number of employees, for the same time-span, sponsored for short-term training was about 283, and 240 of them continue to be in the service of the bank. The number of employees presently being sponsored for graduate, post-graduate studies and short-term training is around 15 per annum, which gives an extremely low training exposure ratio.

4.67 The management is keenly aware of the inadequacies of the existing training arrangement and rightly feels that needs of staff development cannot be fully met unless an organized effort is initiated internally. The creation of the training section was an expression of these feelings.

4.68 The training plan for the four years (1983-1986) envisages

- o training abroad (including post-graduate studies) for 18-20 professionals. The number of these trainees is likely to decrease gradually from 6 in 1983 to 2 in 1986 as the institution hopes to develop internal training abilities during this period.

- o internal training for about 50 participants (on an average) divided into 4 programs/seminars of 2 to 8 weeks duration each. If these plans materialize there will be internal teaching of about 540 hrs p.a. The areas selected for internal training are project planning and appraisal, collection and recovery of dues, commercial banking, agricultural credit, grain storage, marketing for agro-projects, accounting and auditing and support staff training.

4.69 The major constraints for the commencement of internal training are:

- o Space (Pending completion of the new building, training may be undertaken in a vacant room which can seat about 15-20 participants.)
- o Materials (The development of internal materials will take time, but the Training Section can try to mobilize English and Arabic materials/case studies from EDI, other training institutions and participants who attend overseas courses.)
- o Teachers (This is going to be a major problem. No officer of the bank has been exposed to a trainer's course. This should be ranked the first training priority and the bank should explore the possibility of training at least 2-3 operations staff in pedagogical skills during 1983-84.)
- o Equipment (Not much of the equipment is needed initially. TA funds should be utilized for the acquisition of equipment such as slide and overhead projectors, 16 mm movie projector, and audio aids.)

4.70 It is recommended that EDI-ADB-AADFI should try to assist ABS to the maximum extent possible so that internal training capabilities are developed within the shortest time possible. The implementation of projects financed/undertaken by the bank depend on these institutional development efforts. And in the context of national economic development the success of agricultural projects is of highest importance. There is no other way the bank can achieve an adequate training exposure for its staff except through such internal initiatives.

Industrial Bank of Sudan (IBS)

4.71 In view of the very small size of the trainable population (25 professional staff), no internal training is conducted in IBS. The opportunities for deputing staff for foreign courses over the years have been reasonably good. Most of the professional staff have attended courses at such institutions as Arab Planning Institute (Kuwait), FINAFRICA (Milan), RVB (Netherlands), ESAMI (Arusha), and ADB's Training Center (Abidjan). As many as 6 professionals have attended EDI courses, mostly in Washington, D.C.

4.72 A beginning, even on a modest scale, in internal training depends on (i) availability of space (this problem will be overcome when the new building is completed), (ii) increase in professional staff with or without new activities, (iii) availability of one/two trainers, and (iv) a clearer definition of the bank's promotional role.

4.73 What seems to be within the range of immediate possibilities is the following:

- (i) Arranging discussion-oriented lectures by people from outside the bank. This will inject new experiences and professional knowledge into the system.
- (ii) Combining coaching with on-the-job training.
- (iii) Small group problem-solving meetings to improve appraisal and follow-up procedures.
- (iv) A well-structured customer 'contact' program. This will not only expose the staff to the realities of the outside world but also help the quality of follow-up.
- (v) Arranging short-seminars (1/2 day) to share experiences of staff members who attend foreign courses.

4.74 These measures, which fall short of a formally designed internal training system, can be equally effective tools of staff development given careful attention.

Sudan Development Corporation (SDC)

4.75 The total staff strength of SDC is 101, of which 42 are professionals. In view of the small number of professional staff, no training programs are organized internally. There are not many relevant courses available locally either. Therefore, training needs are met entirely by participation in foreign training institutions, including Washington (EDI), Abidjan (ADB) and Arusha (ESAMI). This does not provide adequate opportunities and therefore the training coverage ratio is rather low. Looking at the tasks and operational priorities of SDC, it is of utmost importance that a training and staff development policy is formulated at an early date. This policy should also address the question of internal training—to what extent the corporation can meet its training needs in-house. One important question to consider in this regard is the apex nature of the organization involving affiliate financial and development institutions and joint-venture projects. It would be a worthwhile effort to initiate in-house training and extend it to cover the staff of above institutions on a selective basis. Nothing can reinforce the promotional thrust of the corporation more than such an initiative at this juncture.

4.76 There are no major constraints in implementing the above strategy; SDC has some highly experienced and competent professionals who can provide

necessary stimulus for growth in this new area. Some middle level professionals may be trained as trainers to supplement the availability of resource persons. Office space may be a constraint for the time being, but once the new building is ready it will be overcome. Similarly, acquisition of teaching aids is a very small investment compared to the total resources at the command of SDC. What is required is a well-articulated action plan in conformity with the statement of operational policies.

Tanganyika Development Finance Company Ltd. (TDFL)

4.77 TDFL is a small and well-managed DFI which has always seen training as a valuable investment in reinforcing and upgrading the capabilities of its staff. Due to the very small number of professional staff (27) it has not been considered necessary to conduct classroom type internal training; however there has been proper emphasis on on-the-job training which is supplemented by outside courses. The training scheme covers all employees, irrespective of their position or rank in the organization. All available local opportunities are fully utilized before staff is deputed to any overseas program. For instance, accountants attend the local CPA course though training in UK would be most preferred if funds were not a constraint. While in the past senior professional staff has attended courses at RVB (Netherlands), IDA (Dublin), Bradford (UK), International Law Institute (Washington, D.C.), Arthur D. Little Institute, Cambridge, Mass., it is increasingly becoming difficult for TDFL to continue to depute staff for these courses due to non-availability of funds. For instance, during 1982-83 4 professional staff could not be sent abroad as no fellowships were available.

4.78 Under these circumstances, TDFL strongly favours institution of another management oriented course at Abidjan to prepare middle level officers to occupy senior positions. It was also suggested that AADFI should raise funds to offer a few scholarships every year for higher management education to the staff of African DFIs. Since the demand for such fellowships is going to be much in excess of any available funding, the acceptable alternative seems to be an ADFIAP-EDP type of course which would benefit many DFIs in Africa, including TDFL.

4.79 The present Managing Director of TDFL is keen to start internal training in the form of occasional lectures and seminars. In this context, TDFL would welcome any opportunity to train its staff in pedagogical skills.

4.80 TDFL has been in a position to participate in all Abidjan courses during 1980-83. Its reaction to this foundation type of training is very positive and a view was expressed that not only the present course should be continued but also some new courses should be launched so that training needs at various levels are fully satisfied.

Tanzania Investment Bank (TIB)

4.81 TIB is perhaps unique in respect of its well-articulated training policy and system. As early as 1976, TIB Board had expressed its commitment to provide training to every staff member irrespective of his/her rank or

position in the organization. The training policy aimed at developing the local staff to occupy higher positions in the bank. Management education up to one or two years in local or foreign institutions was therefore accepted as an essential tool to upgrade the capability of the local staff. The basic approach to training was reconsidered by the Board more recently and the new scheme of training covers not only management and professionals but all categories of staff down to clerks, messengers, drivers, watchmen and gardeners. For this purpose, TIB has prepared a profile of every position in the bank which includes job designation, on-the-job and in-service training required and criteria for selection in training courses. Such detailed planning for staff development is rarely seen even in most training conscious organizations. For this the management of TIB deserves full praise.

4.82 The training policy makes it clear that selection for outside training will not be automatic but it will depend on individual performance, potential for advancement and the availability of funds. This thoughtful note underlines the linkage between performance appraisal and training, which is very often ignored by many organizations. In general the method of training is as follows: every new officer is inducted into the orientation program which lasts up to one year, with 6 months on-the-job training in operations/projects, 3 months in finance, planning and development after which the trainee will be sponsored for a three month course at ESAMI (Arusha), Institute of Development Management at Morogoro, or other reputed training institutions. After 2/3 years service, the officer will be sponsored for a course overseas; Abidjan, Manila, Ireland, among others. After entry into the middle management cadre, the officer is deputed to attend a senior management course, preferably at Arthur D. Little's Institute at Cambridge, Mass. This is considered to be an essential qualification for entry into the senior management besides performance reviews. After this, training is restricted only to short-term policy oriented courses.

4.83 While this scheme has largely worked well so far, TIB is now facing problems in deputing its staff for overseas management training, from 3 months to one year. The funding required for the system to be continued is around US \$ 100,000 p.a. The management feels that this scheme of training should be continued for at least 3 more years. The problem has arisen mainly on account of utilization of available TA allocations and not many donor agencies are coming forward to finance long-term management training/education.

4.84 The management of TIB therefore expects AADFI-ADB to make available few scholarships every year or failing which new management oriented programs should be launched for development banks, broadly on the lines of 5 week ADFIAP sponsored EDPs. It also feels that a new program for training the trainers would also be useful in creating management type courses on in-house basis.

4.85 It may be mentioned that TIB's training plan for 1982/83 envisaged training for 59 staff members in various positions. While local component of the training plan will be fully implemented, as many as 7 professionals will not be in a position to attend overseas courses/management programs due to a severe funding constraint.

Uganda Development Bank (UDB)

4.86 As mentioned in para 3.96, the professional staff strength of UDB now stands at around 60. There may be some more additions during 1983. As long as the staff base was small, dependence on external (foreign) training was in order, though purely on quantitative basis UDB did not get many opportunities to depute its staff for overseas training in recent years. The new situation demands that UDB takes initiative for some formal classroom and on-the-job training, particularly for its new staff. The specific recommendations in this regard are as follows:

- (i) An induction-cum-orientation program may be finalized for the new staff, consisting of half-day classroom sessions on specific topics and planned on-the-job training with coaching by the senior staff and periodical evaluation feedback.
- (ii) UDB should organize some part-time seminars to strengthen organizational effectiveness in certain key areas like follow-up and recovery. UDB approves this suggestion but requests that an EDI staff member should be deputed to run a short seminar with the primary objective of installation of a follow-up information system within the bank. Looking at the operational problems which UDB is required to tackle, the request seems to be genuine and needs attention.
- (iii) UDB should carefully plan training for its staff at overseas institutions under TA allocation. For this purpose, it is important that information regarding various available courses be obtained and their relevance established at an early date. This plan, covering a period of at least 2 years, should be finalized by middle 1983.
- (iv) The internal training activities critically depend on the availability of one or two trainers. UDB expects that EDI-ADB would provide assistance in the next 3 years so that some operational staff is exposed to training methods and techniques.
- (v) Pending availability of some other space the Board room may be used for training.
- (vi) Preparation of locally oriented training materials will take time, but UDB can use EDI training materials or those materials which are brought back by its participants in overseas courses.
- (vii) It is not necessary at this stage to go in for sophisticated teaching aids, but the minimum requirement in this regard may be met through TA component available in the current IDA credit.

4.87 Though placed in a difficult economic environment, UDB has great potential for development. The quality and morale of the staff is high. Given a proper business climate and a free hand to manage its affairs, UDB can contribute significantly to the national development and rehabilitation.

The Development Bank of Zambia (DBZ)

4.88 DBZ is at present dependent on external training for developing the capabilities of its staff, which is not a very satisfactory position. The management would like to develop internal training programs at an early date. This has especially become important as the size of the organization is expanding fast and the availability of adequate funds for overseas training is becoming scarce. The absence of staff for long periods on foreign training also creates operational bottlenecks. Although in the past DBZ officers have received training at Arthur D. Little's Institute and Harvard (USA), Bradford (UK), MDI (India), ESAMI (Arusha, Tanzania), among others, there would be greater reliance under the changed circumstances on EDI-ADB-AADFI courses and in-house training. This strategy may lead to a sharp increase in the number of staff trained every year.

4.89 There are no major constraints to the setting up of an internal training unit. In fact, DBZ has organized from time to time some short induction programs and seminars on topics of operational interest. What is needed at the moment is the centralization of authority for managing and coordinating the training function. It would be appropriate if a separate training unit is constituted within the administration and personnel division to look after all matters relating to training and staff development. This unit should formulate an annual training plan covering a set of internal training programs and listing all available opportunities outside Zambia. Some of the areas where internal training can be of great assistance are induction, short industry related seminars for the operational staff and engineers, organization systems and procedures. Engineering and legal staff will require additional training, which may be provided through overseas institutional attachments. DBZ should increasingly use the Government sponsored Management Development Service (Institute) for basic training to its junior staff in project analysis and management. MDS has reasonably good facilities and competent faculty to assist DBZ in this kind of training. These arrangements will not only reduce dependence on outside training but will make training more relevant to DBZ's operational needs. The association of operational staff in staff development activities would help in forging greater links between operations and training. No doubt the operations staff needs to be trained in training techniques and for this purpose regional trainer oriented courses should be of great assistance.

PART V

THE DESIGN OF A DELIVERY SYSTEM

5.1 In this last part of the report, we shall examine the suitability of existing programs to meet the training needs identified in Part III (paras. 3.130-3.133) and consider what new initiatives are required to offer a package of programs as constituent elements of a delivery system in order to meet training needs at various layers of authority and responsibility. Before this aspect is closely examined, it would be in order to explain, in brief, the current operational strategies/priorities of African DFIs.

5.2 One general statement of organizational strategies covering a number of institutions would suffer from the limitation of being too broad a generalization, as strategies differ from one organization to another. However, we find that there are certain (strategic) concerns which cut across national boundaries and are indicative of a "regional" approach, shared by many institutions. These concerns are:

- Strengthening of staff capabilities to handle various phases of the project cycle, viz. project development, appraisal, supervision and rehabilitation.
- Diversification of DFI activities/services and exploring a broadened range of services (short-term lending for working capital finance, accepting public deposits to augment resources base, initiating programs for entrepreneur development, leasing operations, etc.);
- Initiating measures (financial and/or technical assistance) for improving capacity utilization of assisted enterprises in order to attain efficient economic use of existing capacities;
- Providing technical support and liberal financing for enhancing export capabilities of agro-processing industries;
- Attaining a minimum degree of self-reliance in some key industries (light engineering, services, etc.);
- Reaching a larger number of marginal clients in agriculture and agro-related occupations in highly dispersed rural locations and providing them credit and other facilities for increased agricultural production and to ensure minimum life support employment;
- Developing in-house training and staff development capabilities.

5.3 The concerns, mentioned above, have to be understood in terms of three typical features of Sub-Sahara Africa, viz. low level of institutional development, relative instability of socio-political structures and balance of payment crisis.

5.4 Any training effort in Africa in order to be effective and have a lasting impact should therefore be centered around certain key considerations, as a logical extension of the concerns mentioned above. There may be more than one way to react to this situation, but the following suggestive framework appears to be consistent with the present thrust of institutional operations.

- (1) All future training activities should be related one way or the other to a single goal, which is institutional development. Those programs, which directly subserve this goal, should have a distinct priority over all other programs.
- (2) Updating and enhancing knowledge and skills of individual officers can also serve the above objective (institutional development) if (a) the training design advances on-the-job problem solving and client service capabilities of trainees, (b) all key levels of management are appropriately covered in the training framework, (2) attention is focused on institutional development issues in a systematic way and (d) training is not restricted to learning tools and techniques of development banking per se.
- (3) Efforts will have to be made to introduce the concept of training operating teams besides training individuals in specific tasks. For this purpose, we need to develop many new national and sub-regional programs so that participation from each institution is increased to include a small team of officers, who go back to work as a compact team in a particular area of operations.
- (4) Many training programs in the past, while successful in increasing knowledge and skill levels of individual officers, have not equally succeeded in providing an action oriented approach to facilitate application of new knowledge and skills in real on-the-job situations. Training of each DFI officer in a regional program does not appear to be a feasible proposition, but those officers who attend these programs should be trained to act as change agents; which means that sufficient attention will have to be paid to the applied aspects and each participant will have to be encouraged to relate training inputs to his/her job situation. This has clear implications for selection criteria of participants and training methodologies used in training programs.
- (5) Training should increasingly become an organizational concern and each institutioir should either launch an in-house training program or initiate measures short of formal training such as coaching, structured on-the-job training, client contact programs, etc. In-house training should basically include induction training for new staff and training in tools and

techniques (including accounting). In some countries (Kenya for instance) there is scope for inter-institutional cooperation in organizing training programs to serve the needs of a cluster of local institutions. The focus of regional training should be institution development aspects, i.e., application of knowledge and skills to enhance organizational effectiveness and bringing about procedural and other changes so that the organization becomes more sensitive to the needs of the community it serves. It is also time that a process of decentralization in regional training is started during the forthcoming planning phase. Some of the new programs should be located outside Abidjan, in East or West Africa.

Development Banking Program (Abidjan)

5.5 Before we suggest any new programs, it is appropriate to propose some structural changes in the existing Abidjan program in line with what has been stated above and as a response to the reactions included in Part II of this report.

5.6 A summary of subject coverage and allocation of time for sub-themes in the program conducted during February-April 1983 is attached (Annex 6). This pattern was by and large observed in the previous programs conducted during 1980-82. It may be seen that nearly 35% of the sessions were devoted to project appraisal, followed by field visits/workshop (27%), follow-up and supervision (15%) and all other areas (23%). The time spent on project appraisal was in fact much higher as seminar workshop also principally dealt with project appraisal issues. Post-sanction aspects, in comparison, got much less attention. A new design for this program, which should be of 8 weeks duration (40 workdays/120 sessions of two hours each) is attached (Annex 7). Some of the important changes proposed are explained hereunder:

- (1) The program duration is marginally extended from 109 sessions to 120 sessions.
- (2) All topics have been divided into 14 training modules. Care has been taken to reinforce learning in project identification and project follow-up/supervision.
- (3) Three sessions have been allocated for action planning, i.e., preparation for re-entry of participants into their institutional systems. These sessions will be scheduled a day before the closing.
- (4) Third country field workshop has been dropped based on the feedback received. This will result in substantial saving in the cost incurred on participant travel and subsistence.
- (5) In-house project workshop (spread over 5 workdays/15 sessions) has been included. This workshop will be scheduled towards

the end of the course for two case studies: one on appraisal and another on follow-up. It may also be possible to use one multi-stage case study covering both the aspects. In some of the earlier workshops case studies were not distributed until the last minute. The participants would have much more time to read and even work on case studies if they are distributed soon after their arrival in Abidjan.

- (6) The allocation of time between 3 important themes of the program, viz. project identification, project appraisal and follow-up supervision will be as under:

	<u>Existing</u>		<u>Proposed</u>	
	<u>Sessions</u>	<u>% Time</u>	<u>Sessions</u>	<u>% Time</u>
Project Identification	(Not separately provided)		7	5.8
Project Appraisal	42	39.4	57	47.5
Project Follow-up and Supervision	15	13.9	30	25.4

Comparative details of these two designs are given in Annex 8.

Project Follow-up and Supervision Program

5.7 The need for extensive and in-depth training in follow-up and supervision was highlighted during the field survey (para. 3.131). The structural changes suggested in Abidjan program partially reflect this concern and the number of sessions in this area is proposed to be increased by nearly 100%. However, it is felt that it would not suffice to restrict training in this area only to Abidjan program. Considering that no such program has been conducted in the past and that health of the portfolio is the most dominant concern of almost every DFI in Africa, there is a need for a new program of about 4 weeks duration, as a measure of practical assistance to DFIs as soon as possible, but certainly no later than mid-1984. It is further suggested that this program should be organized in association with NIDB (Lagos), which has excellent training and training support facilities of international standard. NIDB has tentatively given its assent to the prospect of such collaboration. EDI-ADB-AADFI should initiate early negotiations with NIDB to finalize the details. NIDB will assume the responsibility of administering the course and provide the institutional support to make it a success. It will also contribute case studies for the program. A tentative outline of the program is enclosed (Annex 9). It is, however, suggested that a curriculum preparation workshop may be convened by EDI during 1983 or early 1984 considering that it will be first effort of this kind. Depending on the outcome of the first program, it may be repeated during the subsequent years, not only in Africa but in other regions. It may be a good idea to talk with regional institutions like BADEA whether they would like to co-sponsor/finance this program.

Training of Trainers

5.8 As pointed out in Part III of the report, African DFIs are heavily dependent on external training for its staff. The number of DFIs conducting well-organized training is very small. However, there are many institutions which are planning to launch internal training programs and need assistance to train a core group of internal trainers. It is, therefore, recommended that at least 2 training of trainers programs be organized during the next 3 years. Each program may be of 2/3 weeks duration. The most suitable location for a program like this is Washington, D.C. as the participants will get to know EDI training system and methodologies. As a very effective and well-tested design for such programs already exists (EDI-ADFIAP programs at Washington, D.C. during January 1981 and November/December 1981), no specific outline is proposed here for this program.

High Level Policy Seminar

5.9 The need for a high level policy seminar (for chief executives) was identified in paras. 3.132-3.133. A seminar of this kind (bilingual for one week or 10 days) may be organized either at Washington, D.C. or Abidjan during FY 1985. The suggested coverage (see above-mentioned paragraphs) is need based. The seminar will be a major step towards institutional development. The bilingual nature of the seminar should help in fostering greater understanding of policy issues between Anglophone and Francophone DFIs.

Executive Development Program

5.10 Some of the senior DFI managers pointed out the need for a management oriented program (see para. 3.134). Such a program, if feasible, will have to be in the nature of an executive development program, something like EDPs conducted by ADFIAP in India and the Philippines since 1980. It is expected that ADFIAP, with the assistance of EDI and other international sponsors, will continue this program beyond 1984 in view of its usefulness arising out of an innovative design, which combines technical, policy and management issues. It is suggested that instead of duplicating such an effort in Africa, it would be highly desirable if the Asian EDP can be opened for participation by senior managers of African DFIs. An important complementary outcome of such participation will be exposure of African managers to the policies and practices of Asian DFIs besides promoting greater cooperation between ADFIAP and AADFI.

Training for Agricultural Financing

5.11 A number of African DFIs finance both agricultural and industrial projects (ADB for instance). Besides, there are some very large agricultural development banks (NACB, FBDAC among others) having specialized training needs with regard to financing of agricultural/rural development projects. These training needs are not fully met by Abidjan program, which is mainly industry oriented. EDI-ADB are organizing a program for planning, preparation, appraisal and implementation of agricultural projects in mid-1983 at Nairobi. Looking at the very enthusiastic response of DFIs to this program, it is suggested that this program may be repeated every alternate year.

National Development Banking Programs

5.12 As a part of the effort to decentralize future training in development banking, it is suggested that national/subregional programs may be developed in the following countries:

- (1) Kenya (Nairobi): A joint East-African program sponsored by DFIs in Kenya, Tanzania and Uganda under the aegis of EADB and/or ICDC. ICDC, DPCK and IDB may also collaborate in developing a program for Kenyan institutions and commercial banks.
- (2) Zambia (Lusaka): National program in development banking sponsored by DBZ. A number of Zambian institutions (including commercial banks) will benefit from such a program.
- (3) Zimbabwe (Harare): A national program may be developed by the new development bank, soon after its establishment, for the benefit of its own staff, and the staff of other institutions and commercial banks.

Need for AADFI-ADFIAP Cooperation

5.13 Looking to the recent experiences in development banking training in Africa and Asia, it is of utmost importance that the two regional associations (AADFI-ADFIAP) adopt a more coordinated approach and the expertise of ADFIAP and its member institutions is gainfully utilized in future African programs on a much wider scale than has been possible in the past. DFIs in Africa strongly favor such an interchange of experiences. A separate report on the subject will be prepared as a part of the action agenda required for the successful implementation of programs/activities suggested as a part of the delivery system.

Survey of Training Needs of African DFIsItinerary of Mr. S.P.S. Deol, Consultant

<u>Date</u>	<u>City</u>	<u>Institutions</u>
Jan 24-27	Cairo	1. Development Industrial Bank 2. Misr Iran Development Bank 3. The Principal Bank for Development and Agricultural Credit
Jan 29-Feb 1	Khartoum	1. Sudan Development Corporation 2. Agricultural Bank of Sudan 3. Industrial Bank of Sudan 4. Arab Bank for Economic Development in Africa
Feb 2-4	Addis-Ababa	1. Agricultural and Industrial Development Bank
Feb 5-10	Nairobi	1. Development Finance Co. of Kenya Ltd. 2. Industrial Development Bank Ltd. 3. Industrial and Commercial Development Corporation Ltd.
Feb 11	Kampala	1. Uganda Development Bank 2. East African Development Bank
Feb 12-15	Dares-Salam	1. Tanzania Investment Bank 2. Tanganyika Development Finance Company Ltd.
Feb 16	Lusaka	1. Development Bank of Zambia 2. Rural Development Corporation of Zambia Ltd. 3. Zambia Agricultural Development Bank
Feb 17-18	Harare	1. Development Finance Company 2. Industrial Development Corporation
Feb 19-22	Lagos	1. Nigerian Bank for Commerce and Industry 2. Nigerian Industrial Development Bank
Feb 23	Kaduna	1. New Nigeria Development Company Ltd. 2. Nigerian Agricultural and Cooperative Bank Ltd.

Names of Institutions and Officials ContactedS.P.S. Deol

<u>Country</u>	<u>Institution</u>	<u>Name and Designation</u>
Egypt (Jan 24-27)	Development Industrial Bank (DIB)	1. Mr. Abdel Rahman O. Osman, Vice Chairman
		2. Mr. Abdel Sattar A. El Hakei, GM & Member of the Board
	Misr Iran Development Bank (MIDB)	Dr. Ibrahim Mokhtar, Assistant General Manager
	The Principal Bank for Development and Agricultural Credit	Mr. Adel Mohamed Shanab, GM, Development & Banking Affairs
	Central Bank of Egypt	Mr. Mohamed Amin Shalabi, Governor
	Capital Market Authority	1. Mr. Mahmoud M. Faimy, Chairman
		2. Mr. Ismail Hassan Mohammed, Deputy Chairman
	Bank's Association of Egypt	Mr. Mohammed O. Taha, Executive Director
National Bank of Egypt	Mr. Abdel Ghani Gameh, Director and General Manager	
Sadat Academy	Dr. Hassan Easni	
Sudan (Jan 29- Feb 1)	Sudan Development Corporation	1. Mr. Mubarak Abdel Azim, Project Director
		2. Mr. Yousif Adam Yousif, Executive Manager and Secretary to the Board
	Agricultural Bank of Sudan (ABS)	1. Mr. Sid Ahman Osman, Chairman & Managing Director

<u>Country</u>	<u>Institution</u>	<u>Name and Designation</u>
Sudan (cont.)	ABS (cont.)	2. Mr. Nazeih H. Andrawis, Manager
	Industrial Bank of Sudan (IBS)	1. Mr. Hassan A. Mekki, Chairman and Managing Director 2. Mr. Farouk Yousif Mustafa, Deputy Chairman and Deputy Managing Director
	Arab Bank for Economic Development in Africa (BADEA)	Dr. Hussein El Sayed Osman, Director, Operations Department
Ethiopia (Feb 2-4)	Agricultural and Industrial Development Bank (AIDB)	1. Mr. Tsegaye Asfan, General Manager 2. Mr. Zewdie Tibabu, Senior Officer 3. Mrs. Tsahai Tedla, Training Officer
	Ethiopian Institute of Banking and Insurance	Mr. Ato Ayele Demissie, Director
Kenya (Feb 5-10)	Development Finance Company of Kenya Ltd.	1. Mr. C. Njomo Kamau, Head of Operations 2. Mr. Andrew K. Kitonyi, Manager SSI
	Industrial Development Bank Ltd. (IDB)	1. Mr. M. P. Kunguru, Chief of Operations 2. Mrs. Rose W. Karinki, Chief Establishment Officer
	Industrial & Commercial Development Corporation (ICDC)	1. Mr. P. M. Waweru, Executive Director 2. Mr. J. P. N. Simba, Corporation Secretary 3. Mr. L. K. Kimondo, Personnel & Admn. Manager

<u>Country</u>	<u>Institution</u>	<u>Name and Designation</u>
Uganda (Feb 11)	Uganda Development Bank (UDB)	1. Mr. A. K. Mawanda, General Manager 2. F. S. Kassuja, Head, Dept. of Industry
	East African Development Bank (EADB)	Mr. E. G. Wampa-Mawandha Regional Manager (Uganda) and formerly Director of Administration
Tanzania (Feb 12-15)	Tanzania Investment Bank	Mr. J. C. Kilembe, Director of Administration and Secretary to the Bank
	Tanganyika Development Finance Company Ltd. (TDFL)	Mr. S. W. Frederick, Director of Manpower Dev. & Administration
Zambia (Feb 16)	The Development Bank of Zambia (ZDB)	1. Mr. L. M. Nyambe, Managing Director 2. Mr. O. B. Chilembe, General Manager 3. Mr. John Jere, Personnel Manager 4. Mr. A. Muchanga, Agricultural Projects Manager 5. Mr. J. D. K. Mtumbi, Projects Supervision Manager 6. Mrs. J. M. Situmbeko, Legal Counsel
	Rural Development Corporation of Zambia Ltd.	Mr. N. Jobvu, Personnel Officer
	Zambia Agricultural Development Bank (ZADB)	Mr. Amon J. Chibiya, Managing Director
	Zimbabwe (Feb 17-18)	Development Finance Company (DFC)
Industrial Development Corporation (IDC)		Mr. C. M. D. Sanyanga, General Manager

<u>Country</u>	<u>Institution</u>	<u>Name and Designation</u>
Zimbabwe (cont.)	Government of Zimbabwe, Ministry of Finance	Mr. I. G. Takanira, Deputy Secretary
Nigeria (Feb.19-23)	Nigerian Bank for Commerce and Industry (NBCI)	1. Mr. B. A. Olateru-Olagbegi, General Manager (Banking) 2. Mr. A. I. Galadanci, General Manager (Administration) 3. Mr. Adenrele Orimalade, Controller
	Nigerian Industrial Development Bank (NIDB)	1. Mr. O. Famuyiwa, Deputy Controller 2. Mr. M. A. Fashanu, Controller Manpower Development 3. Mr. Alhaji Abubakar Abdulkadir, Managing Director
	New Nigeria Development Company Ltd. (NNDC)	1. Mr. Muhammad M. Marshanu, Director of Personnel 2. Mr. Dogara Modibo Shehu, Corporate Planner 3. Dr. Tunji Olagunju, Director of Agric. & Agro-Allied Industries Div.
	Nigerian Agricultural & Cooperative Bank Ltd. (NACB)	Mr. J. Idirisu Omali, Chief Manpower Development
<u>L. W. Thorson</u>		
Liberia (March 7-11)	Agricultural and Cooperative Development Bank (ACDB)	Mr. Wilson K. Tarpeh, Managing Director
	Liberian Bank for Develop- ment and Investment (LBDI)	1. Mr. David K. Vinton, President 2. Mr. Johnie Smith, Assistant Manager
	National Housing and Saving Bank (NHSB)	3. Mr. T. Diggs, Chief Executive

List of DFIs Which Conduct Internal Training Programs and Facilities

1. Development Industrial Bank (DIB)
 - o Training room
 - o Teaching aids
 - o Teaching materials
 - o Training staff

2. The Principal Bank for Development and Agricultural Credit (PBDAC)
 - o Training rooms
 - o Training staff
 - o Teaching aids
 - o Teaching materials

3. Nigerian Agricultural and Cooperative Bank (NACB)
 - o Training staff
 - o Teaching materials

4. Nigerian Industrial Development Bank (NIDB)
 - o Training room
 - o Syndicate rooms
 - o Teaching staff
 - o Teaching aids
 - o Teaching materials

DFIs which are likely to commence internal training in the near future and external support (mainly training of trainers and teaching materials) required for the purpose

1. Misr-Iran Development Bank (MIDB)

- o Training of trainers
- o Teaching materials

2. Agricultural and Industrial Development Bank (AIDB)

- o Training of trainers
- o Teaching materials
- o Teaching aids

3. Industrial & Commercial Development Corporation (ICDC)

- o Training of trainers
- o Teaching materials
- o Teaching aids

4. New Nigeria Development Company Ltd (NNDC)

(Proposes to set up a large training center for NNDC Group and member states)

- o Training of trainers
- o Teaching materials
- o Teaching aids
- o Physical facilities
- o Administration staff

5. Agricultural Bank of Sudan (ABS)

- o Training of trainers
- o Teaching aids
- o Teaching materials

6. Uganda Development Bank (UDB)

- o Training of trainers
- o Teaching aids
- o Teaching materials

7. Development Bank of Zambia (DBZ)

- o Training of trainers
- o Teaching aids
- o Teaching materials

Staffing Position of DFIs

	More than 500	200-500	100-200	50-100	Less than 50
PBDAC	3200 () ¹				
NACB	600 (125)				
NBCI	650 (200)				
NIDB	569 (183)				
ABS	638 (219)				
	DIB	411 (220)			
	AIDB	316 (116)			
	NNDC	340 (70)			
	RDCZ	200 (150)			
	MIDB		150 (100)		
	ICDC		157 (69)		
	LDB		125 (45)		
	SDC		100 (42)		
	TIB		128 (60)		
	UDB		120 (60)		
	DBZ		134 (50)		
	NHSB		120 (90)		
			DFCK	93 (34)	
			LBDI	60 (29)	
			IBS	50 (25)	
			TDFL	50 (31)	
			ACDB	95 (37)	
			ZADB		

Note: Figures within brackets
relate to the
professional staff

¹/Break-up not available

²/Not yet operational

Development Banking Seminar, AbidjanSubject Coverage and Scheduling

(14 February - 6 April, 1983)

	<u>No. of Sessions</u>		<u>% of Total Time</u>
Seminar Opening	<u>1</u>	1	0.9
Group Dynamics	<u>3</u>	3	2.7
Project Cycle	<u>4</u>	4	3.7
(Project preparation and appraisal)			
Financial Analysis			
Financial statements			
Financial ratios		2	
Financial projections		3	
Time value of money		3	
Estimating capital/project costs			
Operating and working capital		2	
Breakeven and sensitivity analysis		2	
Financial planning	<u>2</u>	20	18.3
Market Analysis	<u>4</u>	4	3.7
Economic Analysis	<u>11</u>	11	10.0
Technical Analysis	<u>2</u>	2	1.8
Management Appraisal	<u>1</u>	1	0.9
SMEs (including field visits)	<u>7</u>	7	6.4
Agro-Industries	<u>5</u>	5	4.6
Follow-up and Supervision			
Project implementation		1	

Development Banking Seminar, AbidjanSubject Coverage and Scheduling

(14 February - 6 April, 1983)

	<u>No. of Sessions</u>		<u>% of Total Time</u>
Seminar Opening	<u>1</u>	1	0.9
Group Dynamics	<u>3</u>	3	2.7
Project Cycle	<u>4</u>	4	3.7
(Project preparation and appraisal)			
Financial Analysis			
Financial statements	4		
Financial ratios	2		
Financial projections	3		
Time value of money	3		
Estimating capital/project costs	2		
Operating and working capital	2		
Breakeven and sensitivity analysis	2		
Financial planning	<u>2</u>	20	18.3
Market Analysis	<u>4</u>	4	3.7
Economic Analysis	<u>11</u>	11	10.0
Technical Analysis	<u>2</u>	2	1.8
Management Appraisal	<u>1</u>	1	0.9
SMEs (including field visits)	<u>7</u>	7	6.4
Agro-Industries	<u>5</u>	5	4.6
Follow-up and Supervision			
Project implementation	1		

	No. of Sessions		% of Total Time
Project scheduling	2		
Techniques of supervision	1		
Case study	1		
Disbursements	1		
Covenants and security arrangements	2		
Why projects fail	1		
Negotiation with foreign investors	5		
Role of DFCs in management of assisted projects	<u>1</u>	15	13.9
Development Banks			
Objectives and problems of DFCs	1		
DFC and Government relationship	1		
Promotion and innovation	1		
DFCs financing policies and mobilization of resources	1		
ADB experience in subproject financing	<u>2</u>	6	5.6
Project Visit	<u>3</u>	3	2.8
Field Workshop	<u>25</u>	25	22.9
Post Evaluation	<u>1</u>	1	0.9
Seminar Closing	<u>1</u>	<u>1</u>	<u>0.9</u>
		<u>109</u>	<u>100.0</u>

(Contd.)

	No. of Sessions	% of Total Time
<u>SUMMARY</u>		
Seminar Opening/Closing	2	1.8
Group Dynamics	3	2.7
Project Cycle	4	3.7
Project Appraisal	38	34.7
SMEs	7	6.4
Agro-Industries	5	4.6
Follow-up and Supervision	15	13.9
Development Banks	6	5.6
Field Visits/Workshop	<u>29</u>	<u>26.6</u>
	<u>109</u>	<u>100.0</u>

The New Proposed Design for Abidjan ProgramAn Outline

		<u>No. of Sessions</u>	<u>% Time</u>
<u>Module 1</u>	<u>General</u>		
	- Opening and closing ceremonies	2	
	- Learning needs of participants	1	
	- Group dynamics (defreezing)	1	
	- Action planning-preparation for re-entry into the system	3	
	- Program evaluation	<u>2</u>	
		<u>9</u>	7.5
<u>Module 2</u>	<u>Development Banking</u>		
	- The role of DFIs in national economic development	1	
	- Internal and external resource mobilization	2	
	- Diversification of DFI activities OR ADB experience in sub-project financing	<u>1</u>	
		<u>4</u>	3.3
<u>Module 3</u>	<u>Project Cycle</u>		
	- Project cycle - an overview or a simulation on project cycle	<u>1</u>	
		<u>1</u>	0.8

		<u>No. of Sessions</u>	<u>Z Time</u>
<u>Module 4</u>	<u>Project Identification & Development</u>		
	- Sources of new project ideas and project definition	1	
	- Market/demand analysis for project identification	3	
	- Project development and reshaping	2	
	- Checklist (Guidelines) for project identification and development	<u>1</u>	
		<u>7</u>	5.8
<u>Module 5</u>	<u>Management Appraisal and Entrepreneurial Development</u>		
	- Management appraisal - present practices and systematic framework to examine managerial and entrepreneurial aspects	3	
	- Entrepreneurial development - an action plan for implementation	<u>3</u>	
		<u>6</u>	5.0
<u>Module 6</u>	<u>Market Appraisal</u>		
	- Appraisal of market forecasts	2	
	- Information sources for market appraisal	<u>1</u>	
		<u>3</u>	2.5
<u>Module 7</u>	<u>Financial Analysis</u>		
	- Basic financial concepts	1	
	- Interpretation of financial statements	2	
	- Financial ratios	2	

		<u>No. of Sessions</u>	<u>% Time</u>
<u>Module 7</u> (cont.)	- Financial projections	3	
	- Concept of TVM	1	
	- Calculation of IRR	2	
	- Estimating capital costs	1	
	- Financial plan (including debt-equity ratio)	2	
	- Working capital	1	
	- Breakeven and sensitivity analysis	2	
	- An integrated case study on financial appraisal	<u>4</u>	
		<u>21</u>	17.5
<u>Module 8</u>	<u>Economic Analysis</u>		
	- Why economic analysis?	1	
	- Basic concepts	2	
	- Calculation of ERR and DRC	3	
	- A case study on economic analysis	<u>6</u>	
		<u>12</u>	10.0
<u>Module 9</u>	<u>SMEs</u>		
	- SMEs (including tiny and cottage industries)		
	- importance, promotion, special problems	<u>3</u>	
		<u>3</u>	2.5

		<u>No. of Sessions</u>	<u>% Time</u>
<u>Module 10</u>	<u>Management</u>		
	- Workshop on communication and team building	3	
	- Managerial issues in DFIs	<u>1</u>	
		<u>4</u>	
<u>Module 11</u>	<u>Technical Appraisal</u>		
	- Technical aspects of project appraisal	2	
	- Technology selection issues	1	
	- Project scheduling techniques	<u>3</u>	
		<u>6</u>	5.0
<u>Module 12</u>	<u>Follow-up and Supervision</u>		
	- Disbursement procedures	1	
	- Covenant and security arrangements	1	
	- Procurement (local and international)	1	
	- Follow-up information system (implementation and operational stages)	2	
	- Role of nominee directors	1	
	- Financial performance evaluation	2	
	- Predicting sickness (use of financial indicators)	1	
	- Management, technical and marketing problems	3	
	- Rehabilitation of sick enterprises (with particular reference to management and financial restructuring)	3	
	- Joint-venture management	1	

		<u>No. of Sessions</u>	<u>% Time</u>
<u>Module 12</u> (cont.)	- Management advisory and consulting services to clients	2	
	- Recovery and rescheduling	2	
	- Role of DFI branch offices in follow-up and supervision	1	
	- Impact evaluation of assisted projects and policy implications thereof	<u>3</u>	
		<u>24</u>	20.0
<u>Module 13</u>	<u>Agro and Agro Industrial Projects</u>		
	- Planning, preparation and appraisal of agro and agro related projects	<u>5</u>	
		<u>5</u>	4.3
<u>Module 14</u>	<u>Project Workshop</u>		
	- Project Workshop I - Appraisal - preparation	8	
	- Presentation before a simulated "Board"	1	
	- Project Workshop II - Follow-up - preparation	5	
	- Presentation before a simulated "Board"	<u>1</u>	
		<u>15</u>	<u>12.5</u>
		<u>140</u>	<u>100.0</u>

Comparison of Subject Coverage and Time Allocation
Between Existing and Proposed Abidjan Programs

	<u>Existing</u>		<u>Proposed</u>	
	<u>Sessions</u>	<u>% Time</u>	<u>Sessions</u>	<u>% Time</u>
Opening, closing, etc.	5	4.5	9	7.5
Development banking	6	5.6	4	3.3
Project cycle	4	3.7	1	0.8
Project identification	-	-	7	5.8
Management appraisal	1	0.9	6	5.0
Market appraisal	4	3.7	3	2.5
Financial appraisal	20	18.3	21	17.5
Economic appraisal	11	10.0	12	10.0
SMEs	7	6.4	3	2.5
Managerial issues	-	-	4	3.3
Technical appraisal	2	1.8	6	5.0
Follow-up and supervision	15	13.9	24	20.0
Agro and agro-industry	5	4.6	5	4.3
Field workshop	25	22.9	-	-
Project workshop	<u>4</u>	<u>3.7</u>	<u>15</u>	<u>12.5</u>
	<u>109</u>	<u>100.0</u>	<u>120</u>	<u>100.0</u>

Project Follow-up and Supervision Program

A Tentative Outline

- The concept and objectives of project follow-up
- Follow-up organization, particularly structural relationship between appraisal and follow-up/supervision departments
- Disbursement procedures and documentation
- How to cut delays in disbursements?
- Follow-up information system
 - Implementation stage
 - Operational stage
- Cost and time escalations - causes, impact and remedies
- Early warning signals of sickness
 - Financial (use of ratios)
 - Non-financial
- Project completion reports
- Managerial issues and problems at implementation and operation stages
- Marketing framework (product mix, pricing, promotion, distribution, competition and timing)
- Technical problems - causes and remedial actions
- Rehabilitation and restructuring of sick units (management, technical and financial)
- Management advisory and consulting services to clients
- Rescheduling debt liabilities
- Negotiating recovery of dues
- Legal interventions and foreclosures
- Decentralization of follow-up functions
- Impact evaluation