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PREPARATION OF INDUSTRIAL PLAN FOR THE PRIVATE SECTOR
AND PREPARATION OF SMI PROJECT PROFILES
AT GOFI

DP/EGY/89/001

EGYPT

Technical report: Workshop on COMFAR model organized by GOFI
held in Cairo, 8-14 March 1992*

Prepared for the Government of Egypt
by the United Nations Industrial Development Organization,
acting as executing agency for the United Nations Development Programme

Based on the work of J. Bendekovic, UNIDO expert
in cooperation with GOFI

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United Nations Industrial Development Organization
Vienna

* This document has not been edited.

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MISSION ACTIVITIES

1. This report is related to the Job Description DP/EGY/89/001/11-52/J12106 and to the mission carried out from March 1 to March 16, 1992. The mission included briefing and debriefing at the UNIDO Headquarters, as well as the field work in Cairo.

The activities of the mission were carried out in the framework of the project DP/EGY/89/001 under the title "Preparation of Industrial Plan for the Private Sector and Preparation of SMI Project Profiles at G.O.F.I. However, they included two different topics. The first one was a workshop on COMFAR model and the second one comprised the discussion with the G.O.F.I. sub-contractors in the above mentioned project. Thus, the Final Report is divided into two main parts.

TRAINING ACTIVITIES FOR G.O.F.I. STAFF

2. The objective of the Workshop on COMFAR model was to train the experts from G.O.F.I. in the application of this model to project preparation, financial and economic evaluation, as well as financing.

The period of the workshop coincided with the holy month of Ramadan and this imposed a constraint on the time budget of the workshop. The working hours of the workshop were from 9.30 a.m. to 1.00 p.m. giving a possibility to organize two sessions a day of a duration of 1.5 hours each.

The participants of the workshop comprises the students and the instructors. The total number of students was 33, out of which 31 were the staff members of G.O.F.i. and 2 came from MEAG, Cairo, a consulting firm engaged by the project for subcontracts 02 and 03. Such a large number of participants imposed splitting the workshop into Group A and group B, each taking only one session a day, with two joint sessions during the last day of the workshop. So, the total number of sessions for each group was 7 (one session a day and two sessions the last day) amounting to 10.5 hours of the total teaching time. In addition to the UNIDO expert 3 local experts from PIEMCO, Cairo took part in the workshop in the capacity of instructors.

Teaching aids included ten individual PC ATs, which were used for training, but they were installed without printers and the printing of COMFAR output was not possible. The computers did not have the proper graphic cards installed and the display of the COMFAR graphs was not possible. Also, the workshop had at its disposal one classic overhead projector, which made the use of transparencies in presentation possible and helped the workshop a great deal.

The workshop was held in the premises of G.O.F.I. in a computer room which was divided into separate "boxes" and made contact with the participants very difficult.

The workshop activities included the lecture presented by the instructors, discussions and practical exercises done by the students. For the practical exercise one case study was used. The lecture and discussions covered fully the Main system of COMFAR and the Utilities, but the Graphic and Economic modules were presented only briefly.

Taking into consideration all above mentioned, it may be concluded that the overall conditions to carry out a standard COMFAR workshop were not favorable. But all these shortcomings were compensated largely due to a very constructive attitude of the students to the workshop. They showed a great deal of interest in the application of the COMFAR model, and absences were negligible. Many of the trainees had a prior knowledge of working with personal computers, since they had had some training in this respect. This facilitated the work and enable them to learn exceptionally much in such a short period of time. However, it is obvious that they would need more training in the application of the COMFAR model. It should be noted that quite a number of participants did not have a knowledge of a project's financial and especially economic analysis, which would enable them to understand fully the logic and possible applications of the COMFAR model in project preparation, evaluation and financing.

Finally, one may conclude that the workshop was, under the circumstances described, very successful.

DISCUSSIONS WITH SUBCONTRACTORS

3. The discussions with the sub-contractors of G.O.F.I. comprised the contacts with EMCO (project 21-04), MEAG (Project 21-02 and 21-03) and PIEMCO (Project 21-01), all from Cairo. The meetings were held with the general managers of the three sub-contractors and the respective project leaders. The topics discussed included the presentation of their activities since the beginning of the project, of the output to be produced according to the Terms of Reference and of the implementation of Plan of Activities originally set.

It was concluded that the activities of EMCO and PIEMCO are carried out as planned and it may be expected that their output will be supplied by the deadlines stipulated.

The activities of MEAG up to now have fallen behind the schedule. The time over-run in Project 21-02 is due to the very time consuming work related to the data collecting and crosschecking in order to produce the data base for the application of the input - output model to be used. In addition to the secondary sources of data needed, which include the official sources of statistics available in Egypt, a considerable deal of

data were collected through the contacts with the Egyptian Business Association, Investor Communities and the National Investment Bank. Taking into consideration the present state of arts, it is estimated that MEAG will submit the first draft of the Project 21-02 output (The Action for Private Sector Development) by the end of March 1992 and the final document by the end of May 1992. The output of the Project 21-03 was not produced as planned. Out of 70 project profiles due in December 1991 it is expected that 5 will be prepared by the end of March 1992 and the complete final output will be ready by the end of August 1992. (150 profiles in total).

Having discussed the above mentioned with all the sub-contractors, it was concluded that the time over-runs mentioned were the result of a lack of coordination among the sub-contractors. In addition to this, it is estimated that the quality of each sub-contractor's work could have been improved, if the coordination among them had been better. Also, these delays in 21-02 and 21-03 caused difficulties for the sub-contractors 21-01, 21-04 in carrying out their activities.

CONCLUSIONS AND RECOMMENDATIONS

4. The information obtained during this mission may be considered as a ground for some proposals.

The general conclusion in this respect is that in future more resources ought to be spent for the training and upgrading of the professional level and of local expertise of G.O.F.I. staff and less for the equipment, which may be procured using local resources with no foreign exchange constraints.

In this context it is proposed that the following workshops would be very useful to the staff members of G.O.F.I.:

*workshop on the financial evaluation of projects (duration at least 1 week);

*workshop on the economic evaluation of projects (duration 2 weeks);

*workshop on the applicatoin of the COMFAR model (duration 2 weeks).

The participants in these workshops may be partly from the G.O.F.I. staff members, but also from private industrail firms.

It would be very useful, if the G.O.F.I. staff members could be supplleid with an adequate number of the following books, which are not available now:

*Manual for the Preparation of Industrial Feasibility Studies;

*Guide to Practical Project Appraisal;

*Manual for Evaluation of Industrial Projects;

*COMFAR Users Guide and Reference Manual.

Taking into consideration its future role, it seems reasonable to propose that G.O.F.I. extends the training activities offered to the private sector in Egypt. All possible efforts ought to be dedicated to build up a team of local instructors, including the sub-contractors already mentioned. This line of development would, among other things, strengthen the role of G.O.F.I. in the future development of the private sector in Egypt. One important aspect of such training would be a change of mentality along the line of improving a professional approach to investment project planning. As a first step in forming the nucleus of local instructors, it is warmly recommended that G.O.F.I. offers an additional training in the application of the COMFAR model to potential local instructors as fast as possible, e.g. at the UNIDO Headquarters. The three local experts involved in the workshop of the COMFAR model mentioned in this Final Report are strongly supported as potential candidates.

ACKNOWLEDGEMENT

5. The UNIDO expert would like to extend his warm and sincere thanks to the staff members of UNIDO Headquarters, G.O.F.I. and PIEMCO for their help in carrying out his mission. Special thanks are due to the students of the workshop, whose ambition and willingness to work and learn were more than stimulating.

Vienna, March 1992

ANNEX | 1 |

NO	NAME	JOB	DEPARTMENT	QUALIFICATION	SEX
<u>GOFI STAFF</u>					
1	KAWSSER KANDEEL	DIRECTOR OF METALIC PROJECTS DEPT.	METALIC PROJECTS	B. SC. OF ENGINEERING	F
2	MAGDY NAGEEB	ENGINEER	LOCAL INDUSTRIES	B. SC. OF ENGINEERING	M
3	ALI SANTAWI	ENGINEER	ENGINEERING	B. SC. OF ENGINEERING	M
4	ALI FAWZI	DIRECTOR OF AIR CONDITIONING DEPT.	AIR CONDITIONING	B. SC. OF ENGINEERING	M
5	SAMIA M. KHATER	CHEMICAL ENGINEER	SMALL PROJECTS	B. SC. OF ENGINEERING	F
6	GAMIL SAAD NAFADY	ELECTRICAL ENGINEER	POWER	B. SC. OF ENGINEERING	M
7	HODA A. W. MOSTAFA	MINING ENGINEER	MINING	B. SC. OF ENGINEERING	F
8	SAWSAN M. MAHER	TEXTILE ENGINEER	TEXTILE & SPINNING	B. SC. OF APP. ART	F
9	SAMIRA ABDEL ALIM	ELECTRONIC ENGINEER	POWER	B. SC. OF ENGINEERING	F
10	NADIA HIEKAL	IND. DESIGN ENGINEER	TECH. RES.	B. SC. OF ENGINEERING	F
11	MOHAMED A. M. MASHALI	MECHANICAL ENGINEER	LOCAL IND.	B. SC. OF ENGINEERING	M
12	AISHA ALI	TEXTILE ENGINEER	SPINNING	B. SC. OF APP. ART	F
13	RAWIA IBRAHIM	TEXTILE ENGINEER	SPINNING	B. SC. OF APP. ART	F
14	IBRAHIM A. H. IBRAHIM	FOOD PROJECTS RES.	FOOD INDUSTRIES DEPT.	B. SC. OF AGR.	M
15	FRAIDA GABER	FOOD PROJECTS RES.	FOOD INDUSTRIES DEPT.	B. SC. OF AGR.	F
16	ABDEL MONEAM KHALIL	IND. REGISTER RES.	IND. OPER. CHAMBER	B. SC. OF AGR.	M
17	NAHED A. FATTAH	AGR. ENG.	PLANING&FOLLOW-UP	B. SC. OF AGR.	F
18	IBTESAM ABDOU	STATS. RES.	IND. PLANING	B. SC. OF COMMERCE	F
19	IBTESAM HINDAWI	ECONOMIC RES.	IND. PLANING	B. SC. OF COMMERCE	F
20	SAMIA ABDEL HAMID	ECONOMIC RES.	ECONOMICAL STUDIES	B. SC. OF COMMERCE	F
21	FATMA M. MORSI	ECONOMIC RES.	PLANINF & FOLLOW UP	B. SC. OF COMMERCE	F
22	NORA HASSAN	ECONOMIC RES.	ECONOMICAL STUDIES	B. SC. OF COMMERCE	F
23	SAMIA MAHMOUD	AUDITOR	FINANCIAL AUDITTING	B. SC. OF COMMERCE	F
24	GEORGE YOSSEF	ECONOMIC RES.	PLANING & FOLLOW UP	B. SC. OF COMMERCE	M
25	NAGWA BASIOUNI	DIRECTOR OF PLANING	PLANING	B. SC. OF COMMERCE	F
26	HUSSEIN ISMAIL	CODING RES.	PLANING	B. SC. OF COMMERCE	M

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(CONTD.)

NO	NAME	JOB	DEPARTMENT	QUALIFICATION	SEX
27	AHMED EL AGOUZ	ACC. & FINANCE	IND. OPER. CH.	B. SC. OF COMMERCE	M
28	HODA AHME	ACC. & FINANCE	IND. OPER. CH.	B. SC. OF COMMERCE	F
29	AFAF HASSAN HAMED	DIRECTOR OF STATS. DEPT.	DOCUMENTATION & INFORMATION	B. SC. OF SCIENCE	F
30	SAMIA HASSAN KARDIL	MINING PROJECT RES.	MINING DEPT.	B. SC. OF SCIENCE	F
31	FERIAL IBRAHIM HANNA	DIRECTOR OF PUBLISH DEPT.	P. & INF.	DEPLOMA OF STATS.	F
	PRIVATE SECTORE =====				
32	HASSAN M. ABDEL LATIF	STATS. RES.	MEAG	B. SC. OF POLITIC & ECON.	M
33	NASER MAKRAM	STATS. RES.	MEAG	B. SC. OF POLITIC & ECON.	M