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**Final Report
Industrial Partners Program for Africa
Pilot Project 1989**

By the University System of Georgia

Submitted March 21, 1990

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Executive Summary

The Africa Industrial Partners Pilot Program activities focused on two periods of publicized activity, the first centered around the opening briefing December 28th and the second larger series of events between January 29th and February 2nd which centered on the visit of the entrepreneurs from the five partner countries. The purpose of the December activities was to raise awareness concerning the overall program goals within the business and academic community in Georgia.

The primary purpose of the January series was to attract as large a number of potential investors and joint venture partners as possible to meet the high priority 25 project sponsors for direct, specific negotiation leading to tangible collaboration. The underlying purpose throughout was to lay the positive foundation for the long range institutionalization of the linking strategy by demonstrating to key political, academic and business leadership the potential mutual benefit to be developed in coming years.

All three basic goals were achieved. In addition a number of lessons were learned in all phases of the program that will allow even more effective development of the strategy during subsequent phases of the program.

Continued development of linkages will require initiatives from UNIDO, the University System and other institutions. Initial recommendations for immediate follow-on steps as well as longer range goals are included beginning on page 41

This draft report is organized as follows:

- I. review of specific activities undertaken, page 4
 - II. report on current disposition of investment projects, page 10
 - III. report on institutional linkages, page 24
 - IV. analysis of logistic arrangements, page 37
 - V. recommendations for immediate follow-up to UNIDO, page 41
 - VI. recommendations to the Board of Regents of the University System of Georgia, page 44
- VI. Supporting materials under separate cover include:
- mailing list of invitees
 - results of computer screen for potential Georgia match firms
 - materials distributed during Atlanta events
 - mailing list of respondents to investment projects
 - financial report of dispersed funds
 - consultants reports from missions to five countries

Report on Scheduled events

Preparatory briefings

After returning from Vienna November 11th the project team in close collaboration with IPS-Washington arranged three briefings in Washington November 28th. Embassy officials from all five partner countries were invited to meet at the IPS office to discuss the goals and plans of the Africa Partners Program. Representatives from Cameroon, Senegal and Kenya attended and in each case provided valuable guidance and offered technical assistance to the traveling consultants as well as assistance in preparing for January meetings.

Project Director, Senior Consultant and Mr. Robert Justis briefed staff from all members of the Georgia Congressional Delegation, none of whom had ever been to Africa, was aware of UNIDO's overall program or was aware of the current economic potential of Africa. A number of the staff offered to assist with identifying potential match firms in their districts as well as later assistance in securing governmental cooperation should it be needed.

Thirteen Federal Agencies are involved in a special interagency working group on private sector initiatives in Africa. Snyder, Gunderson and Justis briefed the group at the State Department. The meeting identified a number of convergent interests and received offers of technical assistance for consultants going to the five countries as well as a request to be informed of results.

Meetings were held in Atlanta with a number of key business leaders and representatives of Mayor Young's staff and Mayor-elect Jackson to ensure broad participation and support of the program.

Leadership Briefing

Thursday, December 28th. Approximately 800 individuals and firms were invited by Mayor Young to attend a breakfast briefing at the World Trade Club in Atlanta. The invitees included many on existing lists of people previously identified with African interests which project staff collected. In addition, approximately 400 firms were identified using computer matching of the Africa projects with the 5,200 corporations registered in Georgia. This service was provided by the Gemini project of the International Business Council.

This was a difficult time for many in the business and academic communities to gather since it was in the middle of the holidays when many firms and all schools are closed. Knowing this, the invitation included the first issue of Africa Partners, the project newsletter which gave background information for those unable to attend. Many who were unable to attend expressed interest in the following events in January, especially in being informed of specific investment projects appropriate to their interests.

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Approximately 60 people came to the briefing including a number of businesses never previously interested in Africa. Mr. Scott Seydel of Seydel Companies, which is active in 10 African countries provided excellent leadership for the event. Ms. Walker-Brosio, UNIDO-Vienna, provided spoke about the joint-venture process and on UNIDO's program interest in Africa. After the morning meetings detailed discussions were held with program staff, Seydel and Ms. Walker-Brosio concerning the project implementation.

Atlanta Investment Forum, January 29-February 1

The pilot process was designed to focus around a series of events and meetings collectively promoted as the Africa Investment Forum. The strategy behind the design of the program and specific analysis of the logistics will be discussed elsewhere. The following events were held.

The African delegations came from the five countries including Kenya, Cameroon, Nigeria, Ghana and Senegal. The delegations included both entrepreneurs and consultants. Due to the late travel schedules and peak airline season funds were only available to pay for a limited number of participants. With one cancellation (Dr. Igwe) due to directly travel problems, all 20 invited participants did arrive over a three day period preceding the scheduled opening to join in the activities. However, some participants arrived only the evening before the first events, which prevented a full joint briefing with the African participants.

Tuesday, January 30.

Orientation to Georgia economy

The State of Georgia Department of Industry and Trade conducted a general briefing on Georgia's industrial base and commercial capacities. This was intended to familiarize the participants with the economic climate in which they were negotiating. It also unintentionally demonstrated the difficulties of getting Atlanta and state organizations to encourage investment that would flow out of the state to Africa. Most of the presentation was more appropriate to attracting investment in Georgia, not in developing mutually beneficial investment links. The omission sparked a lively and frank discussion between the delegates and briefing staff.

Welcome luncheon

A welcoming luncheon was coordinated by Mr. Earl Shinhoster, Southeast Regional Director of the National Association for the Advancement of Colored People (NAACP). The NAACP is one of oldest and largest organizations for economic and social development of African-Americans. The event was co-sponsored by the Legislative Black Caucus of Georgia. Both organizations reflect the strong interest in economic linkages with Africa. The

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luncheon included officers of three banks, several private investment funds, two dozen business people and press, for a total of approximately 65.

Summit Investment Bank briefing

An afternoon briefing was held by top officers of the Summit Investment Bank, one of the more progressive international investment banks in the Southeast. The bank did not have previous interest in Africa but was a useful guide on how local investors are best approached for participation in foreign opportunities. The discussion was extremely frank concerning the difficulties of attracting investors to Africa and thus provided an excellent preparation for the participants. A byproduct of the encounter was that the bank officers were visibly impressed by the high quality and great potential of the African entrepreneurs in general and several of the specific projects in particular. For instance, Dr. Sakho of SONEPI in Senegal has had follow-up discussions about Summit Bank hosting a delegation of Senegalese bankers.

Opening reception

The first public reception for the participants was held by the Mayor of Decatur, Michael Mears, and the Executive Director of the Dekalb County Chamber of Commerce, James Dunn. The invitation list was limited to firms which had indicated specific interest in one of the promoted projects. The 100 attendees had an informal setting to make their first contact, many beginning detailed conversations which were continued later in the week. Again, some of the Georgia participants had never considered the magnitude of the African potentials. The Dekalb Chamber of Commerce, which has previously focused its international relations on Japan and Europe specifically expressed interest in including its membership in future Industrial Partners programs.

Wednesday, January 29th.

Breakfast briefing

The major "magnet event" of the forum was a breakfast meeting featuring former Ambassador Andrew Young; Mr. Shadrack N. Ndam, Acting Head of Africa Area Program, UNIDO; a prepared message from Director General Siazon; and Mr. Gerald T. West, Vice President of the Overseas Private Investment Corporation. Mr. Scott Seydel and Mr. Walter R. Huntley, President of the Atlanta Economic Development Corporation presided. The breakfast drew approximately 165 people including business, academic and community leaders as well as the electronic and print media. The breakfast was sponsored by the Coca Cola Company.

The invitation list included the one previously used for the December briefing expanded by further matching, networking and people who expressed interest based on press coverage of earlier communications. The attendance represented a healthy cross-section of the community racially and by business sector.

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The invitation process included a second issue of Africa Partners, which contained brief descriptions of all 25 promoted projects, some basic information concerning financing and a pre-paid response card encouraging requests for appointments with specific project sponsors as well as reservations at the various forum events.

Each of the project sponsors was individually introduced to the full gathering by the Senior Consultant with a brief description of their investment opportunity. Further descriptive material was provided to all giving more background on the countries and specific projects.

The breakfast meeting ended at 10:30 with many sponsors and guests lingering to discuss the projects and set up appointments for later follow-up.

Breakout workshops

The Forum continued at 11AM at an adjacent meeting complex, the INFORUM. This brand new highly modern convention facility was not well marked and was confusing for participants to find the meeting rooms. However, approximately 85 firms and individuals attended the country break-out sessions. The project sponsors had the opportunity to present their projects in greater length with the assistance of the country consultants. Each of the country meetings followed its own appropriate course with the Nigerian and Ghanaian groups maintaining a fairly formal process while the Kenyan and Senegalese quickly broke into one-on-one detailed discussions.

The lunch had been planned as an open time on the schedule but we recognized that the participants preferred to stay as a group. The coordinator arranged for a pre-paid luncheon in the INFORUM complex in order to maintain the pace of interaction and discussion.

After lunch the group, which maintained its size, returned for two sessions. Nearly all the businesspeople attended a workshop co-led by Mr. Guy Antoine of the International Finance Corporation and Dr. Gabriel Wilner, Professor of International Law of the University of Georgia School of Law. The discussion proved to be very frank, specific discussion of modalities of financing and mobilizing capital investment and joint venture cooperation. The workshop continued for 1 1/2 hours beyond the scheduled end, with a number of participants remaining to continue the discussion even after.

The forum was designed to leave thursday and friday as open as possible to allow for negotiations, site visits or other small group activities. The sponsors and consultants scattered widely with assistance of project staff and country consultants. The project disposition section of this report reflects some of the productive activity that filled up this time.

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Thursday, February 1

Thursday evening Mayor Maynard Jackson hosted a reception in honor of the visiting entrepreneurs. Held at the INFORUM and attended by about 85 people, the reception provided a public opportunity for the new Mayor to indicate his commitment to the goals of African business development. This interest has been such a highly visible component of Andrew Young's leadership that it was not clear if it would be continued under the new administration.

Mayor Jackson took the opportunity to announce a major new initiative of the City of Atlanta in which the Atlanta Economic Development Corporation (AEDC) would be given the mandate to lead in forming international investment links specifically including Africa. The current forum was highlighted as exemplary initiative to be supported with the institutional strength of the City.

The event also afforded Mr. Ndam the opportunity to thank the city for its assistance to date and strongly encourage continued and strengthened institutional support for future stages of cooperation between Atlanta and Africa, as well as between Atlanta and UNIDO.

As in other events during the week participants lingered for over an hour beyond scheduled ending. Some of this was purely social but several sponsors continued detailed discussion begun earlier in the day.

The participants departed over a span of days, some leaving Friday morning, others as late as the following Tuesday. Some sponsors arranged to visit firms (contacted through the forum matching process) in Dallas, New York and Detroit. Some delayed departure to allow for further negotiations through the weekend. In one Kenyan project this flexibility proved critical to reach written agreement on follow-up intended to lead to investment.

After the close of the meetings news media, both print and electronic continued to attract interest. In many cases businesses and individuals who had never been identified with African interests emerged. This has continued with at least two or three new phone contacts every day to the IBC, University of Georgia and Senior Consultant offices. At least two dozen meetings with new individuals and firms have been held since the forum.

In some cases these later contacts have been directly appropriate for one of the high priority projects. This has resulted in detailed meetings to screen and brief the new firms and to communicate their interest to the African partner. This has included project sponsors who did not attend the meetings themselves. In two cases the project sponsors are planning to come to Atlanta at their own expense later in the spring to pursue these leads.

Project Disposition Report

The following African business projects were proposed and promoted in Atlanta seeking investment, joint-venture partners or other critical collaboration. Each one was recommended and approved by UNIDO staff or other government investment promotion agency in the country. Each project was then selected for review by one of the Georgia consultants and a site visit was arranged. Each project sponsor was interviewed at least once and jointly recommended for participation in the Atlanta meetings by the national and Georgia consultants. In every country more projects were recommended than we were able to bring the sponsors. The screening process, especially the on-site collaboration between consultants familiar with Georgia and the African country, was very thorough and successful. Every one of the projects identified and recommended is highly likely to find a partner.

The final choice of which firms were included in the January forum was made by the leadership committee of the project in Georgia based on the probability of finding a matching partner in the time permitted. Predictably, in some cases better response would have been achieved with different projects chosen. More pharmaceutical projects would have been successful, for instance.

Although some projects attracted more serious attention than others every sponsor left the forum with some substantive contacts established, most with written statements of intent committing specific follow-up to the initial negotiations.

By the very nature of the process of negotiation between businesses much of the detailed agreements were simply not shared outside of the one-on-one contact. American firms, operating in an extremely litigious environment, are especially hesitant to put any commitment in writing without the direct approval of their own lawyer. This is different from the European firms the Africans are used to dealing with. In some cases letters were not signed although both parties have clear commitment to continue discussions.

It is possible to verify a surprisingly high number of serious ongoing negotiations demanding at least another round of detailed communication between potential partners. This next round varies from project to project ranging from scheduling visits by US investors to the African site to delivering a pro forma invoice for equipment pricing to beginning U.S. market research for possible importing of African goods.

The following chart indicated the latest documented stage of negotiations with each project.

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Project	Project Description	Documented Response as of March 21, 1990
<p>KENYA Manufacture of Rubber-Based Products</p>	<p>Sponsor: Pauline Githara, Ombi Industries, Ltd. This is an ongoing concern manufacturing, servicing and selling rubber products that is hampered by old technology and limited product lines. Consultants identify opportunity to expand lines with likely investment in new technology of approximately \$250,000</p>	<p>Several firms spoke with sponsor at length. Githara stayed over three days to conclude this level of discussions. Written commitment to consider financing given by David Hovey, a Board member of Bank of Carrollton, Georgia and also Dean of School of Business of West Georgia College. Hovey indicated detailed list of items needed for feasibility study suitable to present to bank. Will consider visit to Kenya site based on written documentation.</p> <p>Sponsor received offer of joint venture based on producing condoms for Eastern European market. Potential partner has already given written indication of willingness to sign long term contract arranged by Mr. Paul Heltai (Atlanta). Sponsor will return to Kenya to determine cost factors to see if project is feasible. Based on those costs Heltai and sponsor will determine how much equity, if any, is appropriate. It is possible sponsor could simply fulfill contract without giving up any equity to foreign partner.</p>
<p>KENYA Pharmaceutical Manufacture</p>	<p>Sponsor: Dr. Clifford Jashon Okaoth Oluoch M.D., Manyasi Pharmaceutical Co., Ltd. This is a new project with complete feasibility study, land and much design work in place. Total project approximately \$4 million with about half needed from Georgia partner in equipment and training in exchange for 49% equity.</p>	<p>Mr. Richard Dowling, an Atlanta pharmacist and medical equipment broker, discussed potential relationship at length in three detailed meetings with consultants Gichele and Arunga as well as separately with Gunderson. Asked Gichele and Arunga to follow up specific marketing questions in Nairobi.</p>

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<p>KENYA Manufacture of Carpets and spinning of Carpet Yarn</p>	<p>Sponsor: Dr. F.J. Kamande, Kawan Enterprises (K), Ltd. This is the only carpet producer in Kenya and needs rehabilitation of technology to take advantage of export opportunities. Estimated Georgia contribution of \$3.1 million would purchase 45% equity.</p>	<p>Georgia produces 60% of U.S. carpet supply, but Kamande had surprising difficulty finding just the right contact interested in assisting Kenya production. Specific business contact was disappointing but had detailed discussions with International Business Council staff and Industry and Trade specialist who have agreed to continue placement process.</p> <p>The Tennessee Institute for African Affairs has also taken the file for placement through Chattanooga World Trade Office. Staff member Ron Miles interviewed sponsor at length at the forum. This may require a follow-on visit from Kamande or specific promotion in conjunction with UNIDO Nairobi Investment Forum.</p> <p>International Business Council staff identified <i>Interface</i>, a Georgia firm manufacturing carpet squares, a relatively new product in floor covering industry that may be appropriate for Kenyan manufacture, perhaps under license. The two firms did not meet in Atlanta but have agreed to pursue the discussion of joint venture production. The first step will be written answers to market and production questions raised by <i>Interface</i> president.</p>
<p>KENYA Manufacture of Paper from Agricultural Wastes</p>	<p>Sponsors: J.E. O. Okwere and J.A. Odera, Planning and Development Options Ltd. This is a new project with complete feasibility study and land. Needs approximately \$300,000 of equipment plus licensing and training representing 30% equity. Currently no competition exists in this high-priority area.</p>	<p>Mr. Thomas C. Settles, President of Elite Paper supply and manufacture has indicated an interest in pursuing discussions based on analysis of existing feasibility study. Elite is a leading minority-owned firm with strong interest in off-shore production and expansion. Follow-up will need nurture by Kenya and Georgia consultants to keep interest alive until two partners can meet.</p>

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<p>KENYA Airport hotel</p>	<p>Sponsor: M. Mukuya. This project is the second phase of an existing successful entertainment complex next to the Jomo Kenyatta International Airport. Feasibility study indicates total foreign investment of \$1.2 million for 43.39% equity. No competition exists in airport area currently which offers partners with hotel experience an opportunity to benefit from large tourist trade.</p>	<p>Most substantial inquiry is by Mr. Ronald Reeser of Eagle commercial real estate investment group of Atlanta which has been thoroughly briefed in advance my Georgia consultant to Kenya, Gichele. Reeser has forwarded numerous specific questions in expectation of visiting site in conjunction with Nairobi forum.</p> <p>Gichele will be in Kenya on other UNDP assignment and has agreed to continue discussions for Mr. Reeser.</p>
<p>KENYA Leather products manufacturing</p>	<p>Sponsor: M. Wainaina Kenyanjui, Valentinos Footwear Manufacturers, Ltd. Successful producer of shoes for Kenyan market seeks assistance in expansion. Needs appropriate technology to increase quality and efficiency as well as market access for shoes or other leather products into U.S. market. Equipment, and therefore cost, will reflect negotiated strategy.</p>	<p>Sponsor focused on finding market outlets. A number of potential retail marketing people met, reviewed samples and discussed. Primary response was actually in Dallas, Texas by Mr. Chris Schmidt, President of Certified Commercial Services, a leather marketing expert who has committed to explore whether a full market study is justified. Schmidt ordered specific samples, pricing and delivery data and will make initial round of inquiries as soon as received. Based on these findings, further market study may be required to lay the basis for joint financing of new equipment.</p>
<p>GHANA Wood Products</p>	<p>Pergamon Joinery, Ltd., Faysal Captan, Managing Director. A successful company with 70 employees and assets of \$2 million, Pergamon is positioned for export expansion. Seeks joint-venture partner with technical expertise. Investment to be negotiated with qualified partner.</p>	<p>A number of individuals interested in wood processing met with Georgia consultant to Ghana, Mr. Garrett Boyd, requesting follow-up information. Several of these have indicated interest in visiting Ghana to see Pergamon and other wood firms as suppliers for components for furniture production in Georgia and Southeast.</p>

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<p>GHANA Wood Products</p>	<p>Woody, Ltd., Mr. Togbor Mensah, Managing Director. This is a small (13 employees), but successful firm making high quality doors and furniture. Seeks active joint venture partner to expand production. Estimated equipment and investment \$1.5 million.</p>	<p>Sponsor focused on identifying potential importers in Georgia who could absorb his expanded production. Specific discussions with Mr. Jacob Henderson, a company representative of several furniture concerns who is already knowledgeable about Ghana. Mr. Henderson had requested appointments with Mensah before the meetings and followed up.</p>
<p>GHANA Diamond and Gold Mining</p>	<p>Bestill Company, Inc. Mr. Kenneth Kwapong. Gold and diamond concession with proven gems seeks operating joint-venture partner with estimated investment of \$1 million to upgrade equipment. Business concept includes exploiting byproducts of mining including gravel and sand for industrial construction products.</p>	<p>Seven potential investors/partners discussed Bestill's operations at length (probably the highest number of any project). Ms. Grace Marie Maja of 7M investment company (Atlanta) received written indication as the favored firm by Kwapong. Maja is planning to take her 5 investment partners to Ghana for a site visit within a month.</p> <p>Guy Antoine, Africa Enterprise Fund of the International Finance Corporation, has discussed IFC involvement with Garrett Boyd, Georgia consultant to Ghana and with Mr. Ronald Kelley, USAfrica, which is interested in investing in project.</p> <p>Sponsor reports other contacts through efforts of IPS-DC related to follow-up promotion.</p> <p>This may require additional support to augment pre-feasibility study already developed by sponsor.</p>

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<p>GHANA Rubber boot manufacture</p>	<p>Mr. Kojo Essuman, King's Shoe Factory. Operating shoe business seeks to expand into manufacture of rubber boots using locally-grown latex. Estimated investment of \$1.5 million from joint-venture partner with strong technical background. Feasibility study underway with Africa Project Development Facility.</p>	<p>Same groups interested in Keyna rubber manufacture discussed this project. Africa Project Development Facility report under preparation and will be crucial for determining specific investor response. Based on level of interest expressed Essuman has planned to come to Atlanta at his own expense in June to meet potential partners.</p>
<p>SENEGAL Cotton Medical Products</p>	<p>Mme. Moustapha Bâ, COTONPHARM and "SUNNA." Start-up firm with experienced entrepreneurs seeks technically capable investment group for manufacture of cotton wool, dressings and sanitary products. Local market with significant regional export. Estimated investment \$5.2 million. Solid feasibility study and some local investment in hand.</p>	<p>Mr. Cecil Max-George, of Ex-Im International (Atlanta), thoroughly discussed the type of production facility suggested by Mme. Bâ. He contacted a plant in South Carolina owned by Hermitage Industries which is willing to discuss joint venturing by moving the plant to Senegal. Detailed negotiations were held in Atlanta with the President, Steven Ward, February 28 with the participation of Dr. Bruce and Gunderson. Mr. Thomas McDonald, Vice Chair of the Avenir Group, which owns Hermitage, also attended discussions. Avenir specialized in smaller industrial firms. The discussion identified a series of questions which are now in the hands of the Senegalese consultant, Dr. Sakho.</p> <p>This would be large undertaking: the plant employed 300 people in South Carolina and will demand a regional market in West Africa. Multi-source financing seems likely.</p> <p>Immediate technical support of the negotiation will be required from this point, especially to support travel of sponsor, Sakho and banker to South Carolina to review equipment and other points of collaboration. This may require assistance of UNIDO staff experts in Vienna.</p>

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<p>SENEGAL Fruit and Vegetable Processing.</p>	<p>Mamour Cissé, Administrative Director General, Société Industrielle de Transformation de Fruits (SITRAF). A start-up company seeking to produce high-quality tropical juices from local crops, approximately 800,000 liters annual. Estimated investment, \$.63 million and technical assistance. Strong export market potential.</p>	<p>Mr. Max-George, Ex-Im International, discussed the project at length and has identified a partner in Chicago interested in supplying equipment as a joint venture partner.</p> <p>Sponsor discussed project with Vice President of Overseas Private Investment Corporation, who contacted University of Georgia for recommendation and feasibility study for referral to field office.</p>
<p>SENEGAL Herbal Tea</p>	<p>Abdoulaye Baby, Director General, Entreprise Senegalzise de Transformation de Produits Vegetaux. (ESTPV). An expansion of a 16-year-old enterprise seeks to produce and market <i>Kinkelibah</i> herbal tea for local, regional and international markets. Total project estimated \$1 million including foreign investment of approximately 60%.</p>	<p>No written commitments were made to follow up the project although several individuals expressed interest and are reviewing the thorough feasibility study prepared in French by SONEPI.</p>
<p>CAMEROON Expansion of galvanized steel products manufacture</p>	<p>Steelcam Roll-Form Industry, Enow Baye Oscar, General Manager. Successful private firm supplying galvanized roofing sheets (10% of national market) and steel culverts (100% national market) seeks joint venture partner to expand processing to include galvanizing of raw sheet instead of current practice of importing. Estimated investment of \$.9 million, equity negotiable.</p>	<p>However, several Georgia firms responded to the mailed promotional materials. After discussing with both Gunderson and Foncho it became clear that they were not qualified to assist in the Steelcam opportunity and were discouraged from contacting Mr. Oscar. Mr. Mark Purcell of IPS-Washington has the file and will continue promotion in other more steel-oriented states. International Business Council Staff contacted a qualified firm in the galvanizing business based in St. Louis, Missouri which has asked for written opportunity description. Depending on their response, may require follow-up from Georgia or IPS-DC.</p>

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<p>CAMEROON Cattle and Poultry feed production</p>	<p>Bamenda Animal Feed Company, Ndenge Niba, Managing Director. Local businessmen seek to create firm to supply growing market for animal feeds, especially for poultry and cattle. Land and buildings available for local production. Seeks technical and investment partner. Approximately \$660,000 foreign investment needed.</p>	<p>Ms. Izetta Barber of Info International held detailed discussion with Ndenge including going with him to feed processing equipment suppliers who were attending the national poultry convention in Atlanta at same time as our forum. Negotiations clarified that the primary need for U.S. investment could be covered by Export-Import Bank medium term financing facility. Barber is considering financing the balance pending quotes from Mr. Frank Fulton of Hough International of Albertsville, Alabama and further answers from Ndenge. It may be possible to arrange for critical equipment and consulting to be supplied without giving up nearly as much equity to foreign partners as Ndenge initially feared. A thorough cash-flow analysis and business plan will expore this.</p> <p>Mr. Paul Heltai, a financier, also of Atlanta, held two long interviews with Ndenge, as well. Experienced in Africa, he raised some basic issues concerning the proposal and asked for written follow-up documents from Ndenge. Both signed letter of intent noting specific research to follow. Heltai has held later meetings with Gunderson and local Cameroonian individuals indicating continued interest in pursuing project.</p> <p>Sponsor also discussed project with Ms. Lorretta Zanders (Atlanta) who represents a potential joint venture partner qualified and interested. This was a late contact and while discussions were very positive, nothing was finalized. Zanders will communicate clients' intentions to sponsor.</p>

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<p>CAMEROON Potato Processing</p>	<p>Peemeg Company, Ltd. Dr. Peter Foncho. Outgrowth of international potato research station in Bamenda with technically proficient local entrepreneurs. Seeks to develop regional market for locally grown potatoes and potato products (chips, fries and flour). Seeks Georgia investment approximately \$1 million for equity share.</p>	<p>Discussions with Mr. Bill Cale of USAfrica indicate agreement with Mr. Foncho to pursue detailed development of staged business plan in preparation for syndicating investment for U.S. investors. Marketing stage of project will proceed first, hopefully by October, while processing equipment is identified (in consultation with Food Sciences experiment station of University of Georgia). Successful cash flow from first stage will enable greater equity to be retained by Cameroon group in processing facility. Next stage involves business plan development by USAfrica for approval by Foncho. Will include guidance of Dr. Mezfin Bezuneh, an agricultural economist at Atlanta Clark University with extensive experience in agricultural marketing planning in Africa.</p> <p>Other detailed discussion were held with Mr. Elias Zewde of Khafra Engineering Consultants (Atlanta) which indicated an interest in providing technical support and some equity to venture. Similar discussions were held with Mr. Marcus M. Sabir (Decatur), who expressed interest in turnkey equipment supply and some equity participation. Both Zewde and Sabir are expected to supply written documentation of proposal to Foncho.</p> <p>Ms. Izetta Barbar, Info International, is also interested in the Peemeg proposal. She has explored several different equipment options for the potato chip processing plant and has also advertised in a national snack food trade publication for equity partners to invest in proposal.</p>

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<p>NIGERIA Manufacture of computer equipment</p>	<p>Information Technology Systems (Lagos), David Afolabi, Managing Director. Existing micro-computer service firm with excellent client base seeks to manufacture uninterrupted power supply units based on own research and product development. Seeks financial investor in order to assure regular supply of U.S.-sourced components. Estimated commitment needed, \$150,000.</p>	<p>Sponsor delayed Atlanta visit until February. Several groups expressed strong interest in discussing project and meetings will be arranged when he arrives.</p> <p>Very promising, in terms of matching strengths and needs, is group led by Mr. Phil Baker (Atlanta) who had been exploring establishing a subsidiary of his own computer maintenance and service firm in Africa even prior to the forum. After review of specifications of proposed equipment and detailed discussion with Mr. Jayesinmi concerning sponsors, Baker has established direct contact with sponsor to prepare for direct negotiations when sponsor arrives in Atlanta.</p>
<p>NIGERIA Production of eyeglasses</p>	<p>Kentai Company, Dr. T.A. Kuyinu (Benin City). U.S. trained Professor of optometry seeks to establish facility to grind prescription eyeglasses for Nigerian market. Currently 800,000 pairs a year are imported with no local production. Seeks Georgia investor for equipment and initial working capital, approximately \$1 million.</p>	<p>Group of minority ophthalmologists led by Ms. Laquita Booth (Augusta) have expressed strong interest in joining project with finance and technical support. After review of proposed equipment list group will contact Kuyinu to propose meeting place for personal negotiation. (sponsor has some family in New York so first meeting may be in U.S. rather than Nigeria).</p> <p>A second group led by Mr. Robert Sprinkle of Atlanta is also interested in pursuing the project via the strategy of securing rights to one of the prominent eyeglass service franchises. This would offer a low-cost avenue for equipment and comprehensive management support. Financing would be primarily from Mr. Sprinkle's group (which includes both Atlanta and Chicago principals).</p>

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Project	Project Description	Documented Response as of March 21, 1990
<p>NIGERIA Leather products</p>	<p>Glophoenix Export, Ltd. Hakeem A. Jaiyesinmi. High quality leather manufacturing for U.S. market based on Nigerian and U.S. designs. Seeks joint venture partner and investor to assist with equipment and U.S. marketing. Approximately \$500,000 investment.</p>	<p>Project was initially conceived in cooperation with Atlanta-based Global Mart, Inc, which reconfirmed interest. Sample products are already distributed to potential buyers with positive feedback. Following negotiations letters of intent to invest were given by Mr. Plott of American Leather and Tanning Company and Mr. McKenzie of McKenzie Ventures. Further discussions were held concerning the intention to cooperate with the revitalization of the NEITAL tannery project (below). In this connection further discussion were held with Mr. Bill Cale of USAfrica, Inc. and Mr. Antoine of the IFC. No commitments were made but both asked for specific follow-up documentation in response to detailed questions.</p>
<p>NIGERIA Leather tannery rehabilitation</p>	<p>NEITAL Nigeria, Ltd. Modern tannery now being privatized by Borno State Government. Seeks investors and technical partners to maximize efficiency of production. Estimated \$1 million investment.</p>	<p>Mr. Bangalu took comprehensive tour of factory of American Tanning and Leather Company of Griffin, Georgia with Mr. Christopher J. Plott, President. Plott signed letter of intent to participate in revitalization of industry as a joint venture partner with technical support, equity participation and marketing expertise. Mr. Thurman McKenzie of McKenzie Ventures signed a complementary letter of intent to joint in the joint venture with equity investment and marketing expertise.</p>
<p>NIGERIA Ethanol Production expansion</p>	<p>Associated Distillers, Ltd.. Dr. S.O. Odeyemi. Successful producer of industrial ethanol seeks joint venture partner to increase production to meet rapid growth in demand. Investment amount depends on technical analysis and negotiated expansion plans.</p>	<p>Sponsor discussed project with Complex Carbohydrate Center research facilities at University of Georgia which has been collaborating with major project in Brazil similar to the one suggested for Nigeria. Sponsor expects first step is direct communications on necessary research in advance of further discussions on financing. Dr. Kark-Erik Erikson of the University of Georgia has already indicated willingness to collaborate in writing as requested. After sponsor provides specific findings in writing, Dr. Erikson anticipates visiting Lagos facility.</p>

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Project	Project Description	Documented Response as of March 21, 1990
<p>NIGERIA Fresh Juice Production</p>	<p>Solomon Ezobi, sponsor. Firm wants to provide branded fresh juice to urban markets. Already has citrus plantation under development. Needs joint venture partner to assist in technical aspects of processing and distribution.</p>	<p>Sponsor discussed project with Mr. Thurmond McKenzie of McKenzie Ventures, Inc and with Dr. L.R. Beuchat of the Food Sciences Experiment Station of the University of Georgia in Griffin, Georgia. Beuchat indicated willingness for ongoing technical advise and support if proper institutional linkage is established.</p> <p>Sponsor discussed project at length with Mr. Antoine of the IFC who has recommended the project for follow-up investigation by IFC field office. Sponsor appointed Global Dynamics of Atlanta as U.S. representative to follow up contacts.</p>

Besides the project mailings and personal networking, the Atlanta Constitution gave front page coverage on its Monday Business Edition to the program, including a listing of all the promoted projects. This edition of the paper circulates within the entire South East of the United States and has elicited a number of phone calls expressing interest in pursuing specific projects. Especially important and promising are the computer component manufacturer in Nigeria, the grain production facility in Cameroon, the mechanized mining in Ghana and leather good manufacture in Kenya and Nigeria.

The promotion of the specific projects also elicited a good many calls suggesting other projects in other countries for inclusion in the next phases of the overall program. Receiving especially numerous calls were the Mano River Union States Sierra Leone, Liberia and Guinea, as well Zambia, Zimbabwe, Gambia and Uganda.

Institutional Linkages

There is clearly a great deal of valuable technical support available in Georgia and in other U.S. states that could be applied to developing industry in Africa. In somewhat the same way that a private sector joint venture is much stronger and more creative than ad hoc short-term deals, enduring linkages between institutions will be more productive than mere contract-by-contract projects. This understanding makes the search for institutional linkages between partners in Georgia and the initial five countries highly important.

The University System of Georgia is especially sensitive to the potential for applying high quality research to industrial development. As a Land Grant college system it operates under a mandate to research, teach and apply the findings to the cause of economic development in Georgia. Over the years this fundamental strategy has been a powerful engine supporting the development of Georgia's resource base including the very same evolution from raw resource production to high level processing that defines the current goal of many African countries. The 34 units of the University System include many specialized research and technical institutes that over time will be drawn toward productive linkages with partner institutions in Africa.

When institutional linkages extend over time it is reasonable to expect new ideas, products and technologies to emerge from the collaboration. Beyond the project-by-project problem-solving, the synergy of continual collaboration may be highly productive. On a more intangible level, the faculties, staffs and clients of the two agencies will develop a sense of trust concerning the competence and character of the other partner. This builds a bridge across which many resources, leads and ideas can flow that are all the more valuable because they are flowing between two institutions which understand 'he others' actual situation. The technologies are not recommended in general but with a clear sense of the real potentials and problems, for instance. A business idea is suggested because it solves a real problem with a truly appropriate opportunity. The point is, institutions, like individuals, are more effective when they come to know each other over time.

The number of institutional partners identified was much smaller than the number of investment ventures. Likewise the bulk of travel funds were spent on bringing investment project sponsors, not institutional representatives. However, the following linkages, which are in varied stages of formal agreement, indicate that the basic strategy is promising.

Proposed Institutional Link	Status of collaboration
University of Lagos, Nigeria Department of Chemical Engineering with University of Georgia, Complex Carbohydrate Center, Food Sciences, Department (Athens)	Dr. S. Odeyemi (Lagos) and Dr. Karl-Erik Erickson and Dr. Moustafa Hamdy (Athens, Georgia) are involved in research on commercial ethanol production. The Georgia work has achieved significant breakthroughs in Brazil that are directly relevant to the proposal for production in Nigeria. The institutional representatives are in the process of formalizing the bilateral collaboration. This is expected to lead to joint research and visits by University of Georgia professionals to Nigeria to assist in practical application of the new refinements. Once this is developed to the satisfaction of both groups, the project is expected to be developed for investment participation and joint venture to private sector interests. The liaison will be assisted by the Office of International Development, Dr. Darl Snyder.

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<p>University of Lagos, Nigeria Department of Mechanical Engineering with Georgia Institute of Technology, Technology Development Center (TDC) (Atlanta)</p>	<p>Dr. Sulaiman O. Talabi (Lagos) and Dr. David Stewart (Georgia Tech) met during the forum to compare approaches to the development of commercial application of university research. The TDC was created specifically for this purpose and has been successful both from the University's perspective and from that of the various businesses that it has strengthened or even started. University of Lagos has developed a number of useful technologies for use in Nigeria, but has not been as successful in getting them widely utilized or commercialized. The two representatives discussed a direct link which would both share technologies when appropriate as well as assist the Lagos institution in its process of application.</p>
<p>Nigeria Institute for Social and Economic Research (NISER) (Ibadan) with International Business Council of Georgia (IBC) (Atlanta)</p>	<p>Dr. Basil Igwe, Executive Director of NISER, and Africa Industrial Partners consultant for Nigeria, was unable to be at the forum in Atlanta. Dr. David Bruce, Executive Director of IBC also served as project co-director for the AIP program. NISER closely parallels the long-term mandate of the International Business Council and expressed interest in establishing a direct institutional linkage. Both provide consulting and advice to state and private enterprises concerning international trends affecting economic development. Both train high level business leaders. Both consult directly with enterprises concerning the feasibility of their plans. Collaboration will include the possibility of joint research, staff exchange and joint participation in executive training program. Formal liaison agreement remains to be negotiated.</p>

<p>Borno Investment Company (Maiduguri, Nigeria) with Atlanta Economic Development Corporation (AEDC)</p>	<p>Mr. Ibrahim Sara Bangalu, Managing Director heads this parastatal company responsible for privatizing several firms including textile, tannery and food enterprises. AEDC is also a para-government corporation responsible for stimulating private sector investment and enterprise growth. Mr. Walter Huntley, President of AEDC, was co-chair of the Atlanta Industrial Partners program. The AEDC has also been given the mandate by Atlanta Mayor Jackson to take the lead for the city's <u>international</u> business and trade development. A direct liaison with the Borno Investment Company may provide both agencies with business and investment leads. The Global Dynamics Consulting firm will work closely with AEDC and Borno Investment Company to achieve these goals. The formalization process will proceed with a letter of intent from Mr. Huntley.</p>
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<p>National Engineering and Industrial Promotion Corporation (SONEPI) with Office of International Development, University of Georgia</p>	<p>Dr. Cheikh T. Sakho (Dakar) and Dr. Darl Snyder (Athens) collaborated on the development of the Senegal projects recommended for promotion in this overall program. Both institutions serve as coordinators of in-country expertise for technical support of economic development. A number of the projects promoted by SONEPI require ongoing technical support that may be partly available through the network of the office of International Development, Athens. At some point the institutional point of contact in Georgia may evolve toward the Small Business Development Center, Athens, which more closely matches the mandate of SONEPI. But both representatives agreed to pursue joint projects under the bilateral agreement as it is, which may be sufficient. Both offices also play the role of bringing in other institutional offices and thus may continue to serve as key Georgia-Senegal coordinators of the overall relationship.</p>
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<p>International Agricultural Research Unit (Bamenda, Cameroon) with Georgia Experiment Station, Food Sciences Department, University of Georgia (Griffin, Georgia)</p>	<p>Dr. Peter Foncho, National Potato Research Coordinator in MESIRES/IRA met with Dr. Larry Beauchat of the Experiment Station to explore approaches to collaborative development of food technologies. The commercial application of research technologies, many of which can be used in industry, holds great potential for moving Cameroonians enterprise toward greater value-added activity. The two representatives indicated their intent to move toward formal collaboration including direct exchange of research and research staff and a willingness to become involved in working with private sector Georgia and Cameroon firms pursuing joint-ventures in the agribusiness sector.</p>
<p>Automation and Control Laboratory (ACL) (Ecole Nationale Supérieure Polytechnique, Yaounde, Cameroon) with Technology Development Center (TDC) Georgia Institute of Technology (Atlanta)</p>	<p>Dr. S. Yunkap Kwankam met with staff of TDC concerning institutional mandates to apply appropriate high technologies, especially electrical and computer-based, to problems of industrialization. Direct institutional liaison could involve technology transfer, assisting in establishing technology-oriented joint ventures, joint staff development and collaborative research.</p>

<p>Kenya Industrial Research and Development Institute (KIRDI) (Nairobi) with International Business Council University System of Georgia (IBC) (Atlanta)</p>	<p>Dr. Arunga, Director of KIRDI and Dr. Bruce, Director of IBC discussed future collaboration at length, particularly at the point of strengthening each other's training programs for international executives. IBC will likely be responsible for training of delegations from Georgia to Kenya. Thus close collaboration in advance is essential. Development of a close relationship will also ensure ongoing support of private sector cooperation as well as sharing and screening of new leads.</p> <p>Georgia collaboration will also involve, at KIRDI's request, involvement of Africa Trade and Research Development group (Matthew Gichele), who served as Georgia consultant for Kenya.</p>
<p>Ghana with Georgia</p>	<p>Mr. Charles McMillan and Kwame Kwakye-Mintah, consultants for Africa Industrial Partners project have detailed prospects for institutional liaisons in supporting documents written by Mr. McMillan included with report. This report focuses exclusively on mutual advantages in specific linkages at a level of analysis not done by other consultants. Further detailed discussions of most of these linkages was undertaken in the Atlanta Forum, but none have been formalized at this time.</p> <p>We refer readers to this supporting document for elaboration on future directions now underway.</p>

Realistically, time did not allow for full exploration of the great potential for institutional linkages. In most cases, any one country could find as many productive links as now total for all five combined. Most of the Georgia linkages are still clustered within an hour's drive

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of Atlanta. But nine units of the University System of Georgia currently have Schools of Business with International curriculum. All of these are candidates for productive linkage. Other research institutes beyond the ones already contacted are willing to become involved.

No time was available for the linkages involving business organizations such as appropriate Chambers of Commerce or sector-specific organizations such as the carpet industry association. Mr. McMillan's report sheds some light on the potential for linkages in this area between Ghana and Georgia. A similar, or greater potential exists in the other four countries.

The process of identifying and developing these linkages may be the most creative task remaining for the Africa Partners program. We have barely touched the potential and must not pretend to have developed the process adequately. The establishment of enduring institutional base as recommended to Board of Regents will radically accelerate this process of direct linkage of the many units in Georgia with counterpart units in countries in Africa.

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Logistics and Arrangements

The meetings in Atlanta were generally regarded as successful by local leadership, attending business people and visiting project sponsors. It was clearly demonstrated there is business in Africa ready to be done and plenty of interest in Atlanta, Georgia and the Southeast to do it.

Although this project has been discussed seriously for two years it was funded only on November 14th with a mandate to complete it by the end of January. This was accomplished.

There were, unsurprisingly, some problems in implementation. The vast majority of problems encountered in the implementation reflect the time pressure under which everything was operated. The remaining glitches reflect the fact this was run under an ad hoc structure trapped within legal strictures of the State of Georgia that are quite different than customary U.N. projects.

We learned some things Africans and Americans need to know about each other in advance to ensure the negotiations that occurred were not tripped up on simple matters. This issue straddles the line between logistics and strategy. Few sponsors had time to prepare adequate or consistent documentation for the projects from Africa. The different entrepreneurs and consultants came with very different levels of documentation. Likewise, the Americans often showed up with inadequate documentation to give the Africans. Thus on both sides the issue of documented credibility was left unresolved. This could have been solved with more time allowed between identification, promotion and presentation at the forum. A month to six weeks between stages would be the minimum required.

In this same area, the Africans were not provided basic tools of background research common to U.S. negotiators: computerized credit reports and company profile data, for instance. This would have sorted out some of the lesser-qualified Americans in the group. The lack of verifiable financial data on the African firms was a hinderance to serious negotiations from the American perspective.

The Africans would have benefitted greatly from a more thorough understanding of the U.S. financing programs available to their U.S. counterparts. This would have helped them recognize when a firm was offering something unusual and when they were simply filling out the forms for a government program. In some cases we'll have to undo some relationships that would never have gotten started with better-briefed Africans. In some cases, the projects may be viable using existing U.S. Federal financing programs that need no equity participation beyond that of the African entrepreneur. This could ensure the African partner

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a much larger equity control than most of the sponsors expected.

The use of consultants was generally effective but could be improved. Shortness of time and the intrusion of the holidays made some appointments impossible. The quick launch also allowed for greater inconsistency in performance from country to country. Some were highly effective, others were marginal. The effectiveness varied as greatly on the Georgia side.

In our original proposal we had planned a two-day pre-departure briefing for Georgia consultants that was not possible under the looming holiday season. This would have helped to ensure a consistent screening and reporting format. In a similar way the national consultants did not receive adequate communications concerning performance and reporting expectations.

Communications was a large, if expected, problem. The phones, telex and fax was "variable" in quality, to say the least. This magnified the time problem at every facet of the program. The ad hoc Georgia coordinating structure was a problem at this point, too. The fact that messages were coming in to and out of the IBC, Athens and the Senior Consultant's office raised the odds of getting something through but at the price of consistency.

Local logistics

Although all activities went smoothly and were regarded as successful, there were a number of problems, some preventable, some not, with local arrangements in Atlanta. Atlanta's heavy convention schedule made it impossible to reserve quality hotel rooms until four weeks in advance. The locations for the major breakfast event, the receptions or the break-out workshops all required late reservations, at least by Atlanta standards. Counterbalancing the problems of time was the great enthusiasm and high priority local business and governmental leaders placed on the UNIDO event. The highest officials intervened personally to ensure local cooperation and financial support on a number of occasions (especially for the Coca Cola Corporation's decision to underwrite the breakfast briefing at the World Trade Club). The NAACP had 6 days advance notice on their luncheon, but successfully attracted high-level participation due to the personal calls of the Regional Director, Earl Shinhoster.

The financial arrangements for visitors were awkward on a number of accounts. Under normal UNIDO practice, the visitors are issued a hard currency cash per diem and open tickets through their local UNDP offices before departure. However, in this case the funds needed to be placed into the University account before the end of December. As soon as the money was in University hands it became legally covered under State of Georgia restrictions, which allowed no advance payments and demanded strict specific advance authorization of any travel. This created a real hardship and inconvenience for many as well

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as a terrific headache for project staff. The expense per visitor was almost exactly the same as if a per diem had been issued, so cost-savings was not at issue. However, this process created friction that should be prevented next time.

Many of the visitors were caught by the short notice of travel, which made it hard for them to get any dollars before they left Africa. Thus we had very high-level entrepreneurs and officials without cash and we had no way to issue it. It didn't help that the Decatur hotel closed its restaurant at 10pm.

It should be mentioned that the Georgia consultants experienced the same travel and financial problems going the other way. The tight schedule amplified the negative impact of any communication and coordination problems. Fortunately, every consultant was able to achieve their basic goals.

Naturally, the logistical issues loaded down the key professional staff and prevented them from playing more of the substantive role than would have been useful. Specifically, Bruce, Snyder and Gunderson were not able to be consistently involved in the negotiations of the entrepreneurs. The Senegalese and Cameroonian delegation especially would have done better if Snyder and Gunderson had been more free.

It should be said that everyone did arrive safely (except Igwe from Uganda), ate well, found some business and made it home. The events were well-attended and useful, attracting a new level of serious business people. This was achieved at budget and within guidelines.

Recommendations

I. A structure for ongoing communication to and support of participants in phase one should be immediately established. Some of these functions will need short term consultants in Africa and Georgia, some may be done with cooperative cost-sharing with the University System of Georgia, some may be entirely covered with current UNIDO staff.

A. Contacts in each country should be organized to coordinate follow-up support of negotiations developing from the Atlanta forum. National consultants from the pilot phase should be given the opportunity to continue their involvement. These country consultants may require a short-term consultant appointment if establishment of permanent structure seems likely to be delayed. It is very important that a dependable avenue of communication is established between project sponsors, their technical support facilities and their negotiating partners in the US.

B. Several promoted projects will likely request assistance with feasibility studies or other support for ongoing negotiations. UNIDO should consider an accelerated process of providing such support, perhaps setting aside some feasibility study and technical support funds for this purpose. Projects in Ghana, Nigeria, Senegal, Cameroon and Kenya are all in process of bringing these requests forward.

C. Similar attention will be needed for some of the institutional linkages under negotiation. Institutions have a wide range of cost-sharing options at their disposal, but some assistance is likely to accelerate the process of tangible accomplishment.

D. Communications, at least in print, should be continued to the full list of invitees and screened firms in the Georgia database. This suggests at least three more issues of the Africa Partners newsletter.

1. The mailings should also be circulated to an estimated additional 1,000 firms in the Southeastern states in cooperation with cooperating institutions.

2. The first newsletter sent should be sent with a copy of the UNIDO publication, Africa Industry and printed information on the work of UNIDO.

This communications strategy is a low-cost way to maintain momentum from the forum through: 1- communicating positive news from forum itself, 2- continue promotion of highlighted projects, 3- promotion of other useful Africa business events going on in these states or, perhaps, the UNIDO upcoming forums, 4- establish sense of an ongoing business network which will pre-screen US firms for African partners. This will require a short-term consultancy involving the communications consultant

from pilot phase and limited time from Senior Consultant.

E. Specific attention should be paid to continue detailed, personal contact with US firms actively considering any of the promoted projects. This may require some short-term consultancy contracts in Georgia to augment the general business services available through existing channels. This should be channeled through the IBC.

F. Briefings should be organized for the groups receiving opening briefings in November: DC-based diplomats, Federal Agency Working Group on Africa, interested Congressional delegations, Georgia academic and business organizations. It is likely that cost-sharing and in-kind support from these units could be very helpful in continuing the momentum of the project.

G. A series of informal monthly meetings should be organized in Atlanta to facilitate ongoing information sharing, screening of potential US partners and broadening involvement beyond current circles. The University should be asked to do this as part of its cost-sharing partnership with UNIDO.

II. UNIDO should define its relationship to the commitment by the University System to create a new institution for Africa business and investment development. This is a significant response to UNIDO's initiative and deserves technical and logistic support during its early steps of establishment. Since the University is midway in a fiscal year, it will not be capable of immediately funding the full costs of the institution, even with pursuit of additional private sector funds. Especially problematic will be immediate funding of new professional staff positions necessary.

The University has named an advisory committee to guide the creation of the new institution (which will include representative of UNIDO). UNIDO should consider assisting via short term consultancy contract with technical support. Early meetings of committee may need travel and per diem support for appropriate UNIDO staff and African experts.

III. UNIDO should develop a long-term strategy--at least through 1992-- for United States involvement with Africa Industrial Partners. The program should evolve from its Georgia base and first five countries other high-potential networks.

A. The next phase of expansion should include the Southeastern states. This region can be economically and efficiently integrated into the promotion, matching and follow-up tasks. UNIDO should cooperatively fund (with the University System) a consultation in Georgia for potential collaborators from surrounding states.

B. Later phases of the project should include selected states such as Michigan, Illinois, New York and California which offer important business communities of value to Africa.

C. Beyond the initial five countries an additional five should be included during 1990, with five more in 1991. Especially useful would be ones giving priority to development of sectors strongly represented in the Southeast: citrus processing, cattle, wood processing, agribusiness, health products, construction materials, telecommunications, transportation and other key growth areas.

Recommendations to the University System of Georgia

IV. The University System should establish a new entity as the enduring institutional base for Africa business development and the technical support activities they require, the Africa Business Council of the Southeast (ABC).

A. This new entity should have a Board of Directors and legal mandate representative of the broad state-wide interests in economic ties with Africa. Some of these interests include:

The City of Atlanta (especially Atlanta Economic Development Corporation)

The State of Georgia (Industry and Trade)

Minority Business organizations (especially Georgia Association of Minority Entrepreneurs, Atlanta Business League)

The Atlanta University Center

Corporations with Africa interests:

Seydel Companies

Coca Cola

Lumis Industries

Scientific Atlanta

M&M

Rome Plow

Many units of the University System offer important resources to the ABC.

Special care should be taken to include individuals and organizations from the African countries who live in Georgia.

B. The ABC should be related to the International Business Council and work closely with its other programs.

C. The ABC should develop a close relationship with the US and International banking and guarantee agencies necessary to mobilizing partnerships between US and African firms.

D. The ABC should collaborate with similar contacts initially in other Southeastern states in order to build toward an network capable of dealing with more African countries.

E. The University System should accept financial responsibility for core costs for the first year, with ongoing responsibility shifting to the Board of Directors.

F. The University should ask the assistance of UNIDO for technical support during

the creation phase of the ABC, including appropriate consultants.

V. The University System should conduct a state-wide review of existing resources appropriate to the goals of the Industrial Partners Program. It should focus on faculty and research units open to cooperation with African counterparts.

The University should hold a briefing for representatives from all appropriate units of the System to acquaint them with the project strategy, accomplishments to date and future expectations.

VI. The University System should identify units willing to offer scholarships, fellowships and internships in programs related to business development and promote these study opportunities within the countries targeted for the partnership program. It should specifically encourage Atlanta-area institutions to participate to ensure African students' involvement in the program of the ABC.

VII. The University System should brief its Board of Regents and appropriate Legislature committees regarding the potential implications of the Africa Industrial Partners initiative.

VIII. The University System should study institutional initiatives taken by other states in the area of Africa business development.

The University should consider hosting a consultation, perhaps with the assistance of USAID or the Trade and Development Program, to review experiences and most promising modalities.