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PROJECT TITLE: "ESTABLISHMENT OF AN INDUSTRIAL CONSULTANCY UNIT"

UNIDO PROJECT NO: DP/SOM/86/034

UNIDO CONTRACT NO: 87/82

TERMINAL REPORT

Prepared by:

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Beograd, February, 1991

Dr M. M. Farah

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Dr. Pavle Popovic, CTA
DP/SOM/86/034

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EXECUTIVE SUMMARY

The project SOM/86/034, "Establishment of Industrial Consultancy Unit", from the project idea and the mode of execution up to its achievements, is proving that a step-by-step approach through development of self-reliance and recovery of neglected potentials, is a right direction to reverse the current unfavorable trends. Even in an almost desperate situation of declining economic and, particularly industrial performance throughout many years, they can be created innate nuclei, such as I.C.U., for the reanimation of the industry and/or the economy.

In spite of many difficulties encountered during the project execution, the project fared remarkably well. The objectives stipulated in the project document such as training of consultants and establishment of the consultancy unit, were successfully attained. The improvement of the performance of selected enterprises was only partially attained due to the factors outside of control of project management and consultants. The performed activities and delivered outputs within the project were considerably exceeding those planned by the project document. The Unit is in the course to be legally established at the end of the project, as a private share holding company while the core of ten national consultants, well trained but still not enough experienced, is already undertaking intrinsic tasks of fee-based consultancy services.

The clients of the I.C.U. are public and private industrial enterprises, agencies, banks, the Ministry of Trade and Industry as confounder of the Unit, and other Ministries.

The I.C.U. could make an important impact in the perspective institutional changes as well as in the process of rehabilitation of Somali industry providing that the Unit itself reaches the maturity stage of development.

Capabilities of an consultant are stemming from his acquaintance with consultancy know-how and his experience. Both can be acquired through continuous formal and on-the-job training. The extended formal training is needed to refresh as well as to enrich the theoretical knowledge while on-the-job training is indispensable to acquire the experience and to enlarge the practical knowledge of consultancy skills and technic. It has to be underlined that the formation of a capable management consultant in any environment, is a long process, indeed, but it is more pronounced in a country such as Somalia which is on the verge of industrial development.

As a continuation of the process of national consultants capabilities development, there is an utter task to give a well conceived support to the Consultancy Unit. The Unit is staffed with young consultants in terms of working experience, self-confidence and adaptability to ever changing consultancy assignments, while, as a self-sustained Unit, it renders management consultancy services on domestic market which is rather diversified in terms of range of services as well as undeveloped in terms of volume of demand. The domestic market for consultancy services is

characterized by high needs albeit rather low demand in terms of the insufficient purchasing power of customers and lack of tradition and/or habits to use consultancy services. The needed support to I.C.U. has to be framed in a such way that the sound principles of foundation of the Unit-independence and self-sustenance through fee based services- are not impaired.

The turmoil in Somalia at the end of 1990 in the course of the removal of the existing dictatorship turned in the full destruction of the infrastructure in Mogadishu, during the fierce fighting and mob plunder. It had the sever impact on the very existence of ICU. In the time of writing this report, it is still unknown the fate of the ICU staff and the Unit's equipment. The most likely, the ICU staff is still there while the equipment is looted. Grouped again, ICU staff members with their acquired skills and accumulated knowledge can be indispensable for the organizational and physical rehabilitation of Somali industry. To resume its activities in Somalia UNDP should use, at the very beginning, ICU members as a support to its missions.

A) INTRODUCTION

This document is the terminal report for the project DP/SOM/86/034, "Establishment of an Industrial Consultancy Unit" which started on 15th of August, 1987, with a delay of 2,5 months due to the organizational problems. It was planned to terminate the project at 15th of August, 1990. In mean time, based on the recommendations of the Evaluation mission, it was allocated the extension of the project for four months, from October 1st, 1990 to the January 31th, 1991. Unfortunately with the evolvement of the the crisis in Somalia and the evacuation of the UN experts, the project was terminated on 24 of December with the departure of project CIA. The project was subcontracted to "Institute for Industrial Economics", Beograd, Yugoslavia. The team of experts from the Institute consisted of 3 permanent and 13 temporary consultants working in the project area. The draft report was prepared and submitted to UNDP office in Mogadishu, at the beginning of June 1990, as it was stipulated by the project document. The draft report includes all actual relevant data from the project beginning to that time, as well as some specific projections up to the planned project termination. In this terminal report, they are included all relevant facts related to the project extension. Full details regarding project activities and results are set out below. Relevant details have been also presented in 8 Interim Reports, issued at times as stipulated in the contract with UNIDO, 2 Project Performance Evaluation Report, prepared for the Tripartite Review Meetings, according to the Project Document and Project Status Report submitted to the UNDP office in Mogadishu prior to the departure of CIA from the project site, which was related to the forced termination of the project.

B) PROJECT ENVIRONMENT - PAST, PRESENT and PERSPECTIVE

a) Industrial Sector in Somalia

Peculiar Features of the Somali Economy and Industry

For a very long time, practically since 1965, the rate of growth of the economy of the country is below its population rate of growth. According to the latest estimates the rate of growth of the population is 2.9% a year, while the rate of growth of GDP in the period since 1965 is not more than 2.3%. More precisely, in the period 1965-80. the growth rate of GDP was 2.5% but it has declined to only 2,1% since 1980.

Large share of the livestock sector in GDP seems to be the most significant structural characteristic of the Somali economy. It produces or makes almost 50% of GDP. It is primarily an indication of an overall low level of development of the economy and unsatisfactory state of development of its industrial sectors. Agriculture as a whole, together with forestry and fishing, accounts about 62% of GDP of the country.

Other sectors of the Somali economy are not only lagging behind the rate of growth of overall GDP, but make a small share of total GDP. The sector of productive industries (mining, manufacturing, electricity, water works and supply) seems to be the most deficient part of the Somali economy. In the period 1977-1987,

it almost did not experience any growth. In fact, its rate of growth was only 0.4% per annum. More precisely, this sector was growing up to 1982, so that its rate of growth for the period 1977-82 was 1.8% per annum. Production declined after 1982, so that the rate of growth of sectors GDP was negative in the period 1982-87. The sector was not capable of reaching thereafter the production level achieved in 1982.

The share of productive industries in GDP of the economy is declining almost constantly since 1977. The manufacturing industries of Somalia are faced with the most severe developmental problems and they represent the most troublesome sector of the national economy.

Industrial Production Survey for 1986, the last one that was published, includes 269 establishments in both sectors of ownership. Out of this total, 224 establishments belong to private sector and 45 to the public sector. Under the aegis of Ministry of Trade and Industry, there are 22 public units (see the list in Annex 1).

Most of industrial establishments in Somalia are the small size in respect to employment. If both sectors are taken into account, than 180 out of 269 belong to a size class 5-9 employees (data from 1986). That means that 66.9% of all industrial establishments in Somalia employ between 5 and 9 workers. On the other hand, large industrial establishment, i.e. those employing 50 or more workers, make only 11.9% of total number of establishments. It follows that the economy of Somalia is characterized by a domination of the industrial establishments of very small size. At least as far as a number of employees is taken as a classification standard.

This is even more so in the case of the private sector, where 78.1% of the establishments in 1986 belong to a class size 5-9 employees. On the other hand, only 3.1% of all private establishments employ 50 or more workers. It follows that privately owned industries in Somalia are dominated by small shops and/or handicraft production.

The situation is almost entirely different in the public sector of organized industry. In 1986 here only 11.1% of all establishments belong to a class size 5-9 employees, while 55.6% belong to a class size 50 or more employees. In comprehending the meaning of these information, it is to note that the public sector enterprises usually employ a lot more workers than it is technologically needed and/or than they would employ if being privately owned.

In spite of the fact that both public and private sector were faced with the same sort of economic difficulties, they accommodated differently. Between 1982 and 1986 the number of establishments in the public sector has increased from 43 to 45 (4.7%), while the number of employee has increased from 11,280 to 15,962 (41.5%). On the other hand, in the same period, the number of establishments in the private sector has increased from 134 to 224 (67.2%), whereas the employment has increased from 1,751 to 2,116 or by only 20.4% (Ministry of National Planning, 1986/88).

Efficiency of the Somali industry, assessed by gross profit per employee, hardly improved at all in 80's. In 1982 it was 5,300 So. Sh. while in 1986 it reached the level of 5,500 So. Sh. The level of economic efficiency of two sectors of ownership was exactly the same in 1982, 5,300 So. Sh.. But, the situation has dramatically changed five years latter. While the efficiency of private enterprises has increased from 5,300 So. Sh. in 1982 to 12,200 So. Sh. in 1986, the efficiency of public enterprises declined down to 4,500 So.Sh. in the same period. In 1986 the efficiency of privately owned enterprises was more than 2.7 times higher than that of publicly owned enterprises, even though the level of efficiency of both sectors was exactly the same only five years earlier.

Available, even though unsatisfactory, data indicate that a few industrial sectors are far more profitable than the rest of industries. If the examination is restricted to the private sector only, than the most profitable seem to be those industries that are based on domestic sources of raw materials (food, beverages, textile, leather and other similar industries). The sector of textiles, leather and footwear comes out reasonably profitable, if public and private sectors are taken together into account.

The structure of the economy of Somalia reflects two basic facts. First, the economy of the country is still at the very beginning of the process of industrialization. Second, industrial sector of the economy operates in the conditions of territorial or regionally fragmented market, as well as in the conditions of almost nonexistent national transport network and other infrastructural facilities.

Sound development and economic policies should encourage and favor the private sector, as economically more efficient, and restrict the public sector to those sectors of production and services in which private sector is neither willing nor capable to enter. Such a policy attitude would be pro-efficiency oriented by definition, since both sectors of ownership would operate in those segments of the economy where they are the most efficient.

Constraints to industrial development

The 80' are marked with a prolonged production crisis in both public and private manufacturing sector in Somalia. Notably public sector was vulnerable to the impact of hindering external factors, while rather flexible private sector, somehow adjusted to the unfavorable conditions and preserved its financial vitality and, together with it, growth potential.

The low level of productivity in public sector is a highly suggestive indication of the generally low level of efficiency of utilization of resources engaged in this sector. Various estimates of capacity utilization typically put the corresponding rates of 25% on average. Capacities are here and there oversized and generally unbalanced, they grew out of intensive, largely foreign financed investment campaigns which greatly exceeded the absorptive capacity of the economy.

The end result of the general decline of efficiency in public

sector is a striking deterioration of financial indicators. Profits are practically wiped out, losses are being accumulated and the capital base consistently eroded. The loss of equity implies a deterioration of the financial structure - enterprises are increasingly burdened with credits and handicapped with cost of their servicing. Financial viability of even the economically profitable concerns is seriously endangered.

In the study made by I.C.U. (An assessment of investment funds needs and working capital problems of the Somali industry, 1989), estimated total investment requirements for the rehabilitation and modernization of Somali industry are reaching 220 million US \$, i.e. 195 mil. US \$ for fixed capital investment and 25 mil. US \$, for working capital replenishment. The share of public sector total investment requirements is 90%.

Lack of raw materials, energy and spare parts coupled with deeply rooted lack of foreign exchange are constraining intensively the recovery of Somali industry.

The lack of working capital is a constraint which is partly induced by the institutional structure and the mode of functioning of the hitherto prevailing economic system: due to liberal wage formation, over-staffing and the slackened economizing attitude, the working capital funds had been rapidly depleted.

Another constraint is related to the infrastructural bottlenecks. Many difficulties in this field are of an objective character. The country is large in terms of area and sparsely populated. It is simply difficult and expensive to supply it with appropriate infrastructure. Moreover, infrastructural investments are notoriously large and obvious financial constraints set in. The failure to upkeep and maintain the existing infrastructure has made this category of constraint even more pressing.

The restricted size of both export and domestic market is also a serious constraint.

Administrative constraints are the most general and they are interrelated with all others, accounting, in particular, for poor co-ordination of investment decisions and a host of other constraints and difficulties which derive from it.

The Ministries have to some extent been by-passed in their normal function vis-a-vis the public sector and this has resulted in a skewed and dysfunctional distribution of decision-making authority; considerably impaired efficiency of the system as a whole came out as an inevitable result.

The lack of pressure of properly institutionalized ownership interests led to a poor design of organizational solutions and inefficient assignment of roles and functions, inadequate utilization of the scarce skilled and experienced human resources and sub-standard performance in most fields in public sector. One of the consequences of generally slackened motivation and the concomitant lack of pressure to raise the performance are weak, dysfunctional and occasionally even missing information and communication systems. As management and control systems use

information as an input to generate decisions as an output, the low quality and reliability of information must have resulted in untimely and inadequate intervention in the ever important area of steering economic processes at various levels of business organization.

At top of this insufficiency, it comes the lack of managerial skills and poor selection of management which is not sufficiently geared to the need to increase economic performance.

Control mechanisms have not delivered what was expected and, in particular, control through the results does not seem to have been a part of the system. Control through the procedures had a much more prominent place, which meant again over-centralization, ad hoc interference and creation of a state in which it has not been possible to find out who is responsible for what consequences.

There have been other signs of inefficiency as well. Price controls have been, quite naturally, much more effective in the public sector than in the rest of the economy. With fairly rigorous and slowly adjusting price controls the public sectors was actually discriminated against; this effect was further deepened by its endemic lack of adequate motivation to maximize profits.

Institutional reform and revitalization of industry

The diagnosis of the difficulties besetting the manufacturing sector of the Somali economy, and particularly its publicly owned and operated part, clearly points to the conclusion that the roots of the crisis go deep to the institutional foundations of the system. Restructuring of the economy is under way, but the biggest task remain yet to be accomplished. It involves two sets of changes, each set being located in a different area of action. The first one consists of a far-reaching institutional transformation and the second one in remodelling the production structure of the economy. As for institutional change, it will encompass, first of all a thorough re-institutionalization of the ownership function. This will, in turn, imply increasing the privately owned part of the productive potential in relation to the part which will remain under the aegis of the public sector. On the other hand, the property base of the public sector itself will be strengthened through an appropriate re-institutionalization of the corresponding, ownership-related public agencies. At the same time a reform of the public sector will be undertaken and, in fact, its initial stages are already under way.

After the segments to be privatized and to be liquidated are taken into account, the remaining portion of the public sector is the one in need of consolidation and revitalization. The revitalization is going to be a highly complex and multi-pronged process. It involves systematic removing of all constraints that have stifled development of the public sector in the past and hampered its normal functioning.

As a minimum, the revitalization involves:

- radical overhauling of the entire supply system including

regularizing the procurement of raw materials, spare parts, foreign exchange and an uninterrupted flow of energy,

- physical rehabilitation of eroded capital base i.e. overhauling and replacement of worn-out equipment and machines,

- financial consolidation including, in particular, restoration of the depleted working capital,

- restructuring and upgrading general and functional management systems and, particularly, unifying and streamlining the accounting procedures,

- enhancing managerial skills,
- removing the most pressing bottlenecks in technical and managerial skills so as to strengthen the planning and implementing capabilities without which institutional reform cannot be expected to give the needed results,

- restructuring the existing pattern of distribution of authority and responsibility and, in particular, re-instituting the ownership function within the public sector out of which the decision making authority should flow in the most natural way,

- far-reaching restructuring of public administration which is presently badly constrained in performing its functions and the weakness of which has created an institutional vacuum preventing the public sector from efficient and occasionally any functioning.

It is important that a substantially larger degree of business autonomy as an aspect of general effort to raise economic efficiency, be secured. This will be automatically secured by transferring a part of productive capacity from the public to the private sector. As for the public sector, reinstating the responsible public agencies as bearers of the property function will allow a more balanced distribution of the decision making authority and, in particular, a larger degree of autonomy of the basic business units. Strengthening accountability and control by results, as well as introducing motivating arrangements for managers will provide a basis for a much more complete use of their creative potential.

There is a need to create full-fledged support to dynamic private sector, ranging from development of entrepreneurship up to providing different facilities such as industrial zones or easy access to credits.

There is an alleviating factor which makes the present situation of the Somali economy, and even the problems of its transition to normal market-type allocation mechanisms from the administrative mechanism of direct channelling of resources, based on politically determined preferences, and the corresponding system of bureaucratic co-ordination which has always been of a limited scope, much less complicated. Fortunately, the bulk of the economy has remained outside its reaches. Traditional nature of the Somali agriculture turned out a big advantage of the economy as a whole; due to the traditional set-up of its dominant part, the economy could not possibly be placed in its entirety under the heavy arm of administrative management. Another favorable trait of the existing constellation of the economy is that a significant portion of the small scale industry, trade and commerce, handicrafts and other activities have always been kept under a market regime, even a market with highly stimulating and disciplining competitive pressures. Thus, not too big a segment of the economy is institutionally thwarted and structurally distorted. The task of

rehabilitation, to that extent at least, turns out easier and more manageable.

It can be stated that the programme of reforms of Somali economy, including restructuring of Somali manufacturing sector, is very complex, indeed. Somali Government is already pursuing the programme of institutional changes although the encountered difficulties such as omnipresent lack of foreign inputs followed by financial crises and market distortions, are slowing down the pace of reforms. There is a need for well conceived and targeted support of UNDP to the refinement of the scope and content of above mentioned programme(s) of reforms and support to the consecutive implementation.

b) Project DP/SOM/86/034 in the Context of Institutional Reform and Revitalization of Industry

Industrial Consultancy Unit established by the project DP/SOM/86/034 is result of genuine move to increase self-reliance of the country. Trained consultants within I.C.U. are filling the gap of missing management skills in the country. Through their activities they are offering valuable direct support to management systems improvement and management skills upgrading, and even more, they are forming a pool of potential highly skilled and experienced managers, civil servants or entrepreneurs.

In brief, the project during its life-cycle had the following direct and/or indirect impact:

- * introducing the missing importance and values of good management in business endeavours,
- * dissemination of management know-how through consultancy services and management training,
- * improvement of existing general and functional management through development of appropriate management systems to prevailing conditions which are efficient as well as simple enough to be implemented and sustained,
- * improvement of efficiency in industrial enterprises as a result of diagnostic studies and recommended actions,
- * support to development of new industrial units or to reconstruction of existing ones through appropriate feasibility studies and investment programmes,
- * support to M.T.I. planning and development as well as to M.T.I. restructuring activities through various reports and projects.

Although it was not planned to deliver any support to private industries, many project activities were targeted to these sector, ranging from management training to direct support-diagnostic studies and investment programmes.

In the future, the scope of I.C.U. activities should be extended further to the various aspects of institutional reforms and industrial revitalization as well as to the creation of a genuine support to development of private industrial sector (entrepreneurship development and other specific services as a part of missing support to private industrial enterprises).

I.C.U. and its consultants have and definitely will have indispensable role in the specification and operationalization of the institutional reform programmes and revitalization of Somali industry. In the deficiency of the full-fledged external financial and other inputs, their capacities as a scarce local resource, will be used at full extent for revitalization of Somali industry.

The project achievements reached throughout the project-life cycle, proved the soundness of the project approach as well as the rationality of the project execution modalities.

On-job-training through real-life consultancy assignments was the most important feature of consultants capabilities generation. It had multi fold purpose, too, to develop the skills and increase the experience of the national consultants as well as to give support to Somali industry.

Subcontracting the consultancy firm for project execution proved to be right move. It secured timely execution of activities, synergy effects in the delivery of outputs and uniform transfer of the consultancy know-how. The project team of expatriate experts, who used to work together for many years was able to produce far more outputs than it could be done by individual experts with different backgrounds and approaches to consultancy services.

c) Other projects in industrial sector

Project "Establishment of an Industrial Consultancy Unit" in the second phase of its life-cycle, became an umbrella for two other UNDP projects- "Industrial Maintenance Management" (SOM/88/008) and "United Nations Volunteers support to Rehabilitation of Public Industrial Enterprises" (SOM/88/007), respectively.

The ideas for both above mentioned projects were conceived within the I.C.U. project. Namely, through numerous surveys and visits to plants made by I.C.U. consultants, it was disclosed that poor maintenance and lack of technical skills were heavily hindering the performance. Equipment and machinery in all public enterprises, with exception of few new plants, are worn-out, due to the lack of preventive and repair maintenance. High amount of fixed capital is already wasted. Two new projects were designed in order to improve technical performance in selected industrial enterprises by providing direct support in manufacturing, fitting of equipment, preventive and overhaul maintenance. The activities within above mentioned projects were combined with the activities of I.C.U. project in order to provide a wider range of needed support to the revitalization of selected enterprises. It has to be stated that management rehabilitation can hardly succeed without technical improvement i.e. upgrading technical skills in manufacturing processes and upkeeping machinery in good working condition.

Other industry related projects within the 4th UNDP Country Programme, executed by UNIDO or other UN agencies are, as follows:

SOM/87/003 Industrial Information Services, aimed at developing a general information source for industrial sector through a library and a periodical "Management Review". Closer linkage with SOM/86/034 would facilitate improvement of management information systems at enterprise level, as well as expansion of publishing activities.

SOM/86/012 Technical education- a project executed by UNESCO, a very important one for industrial sector development since the shortcomings in technical education and shortages of technicians are severely hampering the performance of industrial enterprises.

SOM/86/007 Development of Vocational Training- also an important project aimed to upgrade the skills of qualified workers and supervisors in the industry.

SOM/86/005 Accountancy Assistance to SIDAM, aimed at improving book-keeping skills and financial management in both public and private enterprises. There is a need to link some of the I.C.U. activities with those within this project since the objectives, some activities and target beneficiaries are the same for both projects. I.C.U. and SIDAM management are negotiating to share some of their facilities such as computers, computer screen displays, skilled people as trainers and to prepare some joint seminars.

SOM/87/002 Assistance to the Chamber of Commerce aimed at providing a support to private industrial sector development. It was the only UNDP project to back the expending private sector, although I.C.U. and UNV's projects are partially delivering specific support to this sector, too.

SOM/87/009 Cotton Seed Production is delivering the assistance to Somaltex, in order to secure more reliable supply of locally produced raw material and, thus, to reduce dependance on import. The feasibility study on cotton ginning plant (processing of local grown cotton), prepared by the I.C.U. consultants, is closely related to this project.

C) OBJECTIVES, OUTPUTS AND ACTIVITIES.

a) Objectives

Before going in details concerning the objectives, outputs and activities, it should be mentioned that in July 1988, after the first Tripartite Review Meeting, the project was revised. The inputs from both UNDP and G.O.S. were increased and objectives, outputs and activities altered accordingly. It was agreed to redefine the development as well as the immediate objectives according to the evolvement of the problems to which the project was addressing and to the outputs that could be effectively produced during project life-time. The revision was also aimed at making the objectives more realistic.

In the Annex 2 there are presented the development and immediate objectives from original and revised Project documents, respectively.

The same development and immediate objectives were retained in the extension of the project, while some new outputs were defined. The project extension was framed as a bridging for a follow-up project DP/SOM/90/035, Improvement of Management Skills in Selected Enterprises.

All development objectives as so called long term objectives will be achieved through further activities of the Unit in spite of numerous obstacles. The prospective activities of already organized and market-active Consultancy Unit-I.C.U. are targeted to rehabilitation and improvement of the performance of industrial enterprises as well as to the development and enhancement of management capabilities. There are several omens such as the actual performance of the Unit, the already created market position of the Unit and the established facilities within the Unit that the development objectives will be attained. The process will be lengthy one taking in consideration low level of development of the country and the non-fully developed capabilities of the immature Unit.

The primary function of the project was institution building i.e. to establish management consultancy unit staffed with well trained national consultants, while the secondary function was to provide direct support i.e. consultancy services to the management in the enterprises and to the administration in the Ministry of Trade and Industry, as an important contribution for the improvement of industrial enterprises performance.

Both immediate objectives related to the institution building - establishment of the Unit and getting trained consultants - are duly achieved. The objective related to the direct support - improvement of the performance of selected enterprises - is partially achieved. The goal to improve performance of selected enterprises-Foundry and Mechanical Workshop, Cigarette and Match Factory and Tannery km7-through improvement of management systems and upgrading managerial skills turn to be at present long term goal that can be achieved through long and painstaking process requiring prior physical and financial rehabilitation of enterprises, improved institutional set-up and better overall economic conditions in the country.

b) Outputs and Activities

According to the recommendation of the first Tripartite Review Meeting the outputs, the target dates for outputs deliveries and activities were changed. The Annex 3 provides a record of outputs and activities in the original and revised project documents, respectively. The target dates for all outputs are shifted for 2.5 months ahead to accommodate the delayed start-up of the project. From six planned outputs in the original project document, one (Action plans for problems identified for 3 enterprises) was deleted in the revised document. This output was included in the output related to the development of management systems. Other outputs have been reformulated accordingly.

Formulation of activities and target dates, too, have been adjusted to the alterations of outputs and objectives. Some of the

activities were canceled and some new were added (see Annex 3).

Reviewing the delivery of outputs based on the executed activities by the order given in the latest project document, it can be stated the following:

* Establishment of a National Consultancy Unit

Industrial Consultancy Unit-I.C.U. is established, the process of formal registration is in the course. It is foreseen that the I.C.U., at the end of project-cycle with the consent of confounders - U.N.D.P. and Government of Somalia i.e. Ministry of Trade and Industry - becomes a share holding company with I.C.U.consultants and Government of Somalia (M.T.I.) as preferential share-holders and other investors as a potential ordinary share holders. The proposed Memorandum of Association is set out in Annex 4.

The Unit is already delivering fee-based consultancy services to: public and private industrial enterprises, the Ministry of Trade and Industry, the Central Bank of Somalia and Development Bank, the Municipality of Mogadishu, some national Agencies and UN Agencies (UNIDO). The income generated from 14 fee-based assignments in 1989 and four months of 1990, reached 32 million So. Sh. or about 42 thousands US \$.

The Unit also rendered free-of-charge services to M.T.I and some enterprises as a part of marketing efforts to increase the acceptance of its services by the potential clients and to create market image. Selling successfully the consultancy services is undoubtedly the most important aspect of the established Unit.

One of the very important field of I.C.U. activities is training of general and functional managers and foremen from public and private enterprises as well as civil servants from M.T.I. To this end, the following fee-based seminars were organized:

-Evaluation of the performance of the public and private enterprises (24/02-20/03/1990),

-Industrial Management (05/05-26/05/1990) and

-Role of Foreman (26/05- 27/05/1990).

The details on the seminars are given in Annex 5.

I.C.U. internal organization is based on matrix system without any department. Each consultant beside his field of specialization is covering few other fields of I.C.U. activities, as it is depicted on the Figure 1 (see next page). This type of organization is providing effective flexibility with limited number of consultants.

Some of the internal rules, notably those related to the payment incentive scheme, are given in Annex 6. It was agreed to introduce a high incentive scheme for income of the consultants in order to induce effectiveness in the I.C.U. activities.

Figure 1

Industrial Consultancy Unit
A Matrix Structure

ICU CONSULTANTS	FIELDS OF MAJOR ACTIVITIES									
	GM	FM	PRM	PM	MM	MIS	FST	INE	RP	DATA PRO.
MOHAMED ABDI ELMI		*			X	X	X			
B M S BANAFUNZI	*	X		*		X	X			
YUSUF AINAB MUSE			*				X		X	
HASAN YUSUF NUR	X			X		*	X			X
MOHAMED ADAN GAUS		X	*				X			
ABDI FARAH ISSE	X		*				X			
AHMED HASSAN AFI	X	*				X				
MUSE AHMED MUSE		X					X	*	X	
MOHAMOUD HAJI ABDALLA			X		*		X			
ALI MOHAMED OMAR		X			*	X	X			*
MUHUBO JAMA HERSI		X				X				*

KEY-WORDS:

- GM =General Management
- FM =Financial Management
- PRM=Production Management which comprises production planning and control,maintenance management and quality control.
- PM =Personnel Management
- MM =Marketing Management
- MIS=Management Information System
- FST=Feasibility Studies
- INE=Industrial Economics
- RP =Regional Planning
- PRO=Data Processing
- * =Main field of specialization
- X =Other Fields

* Improvement of the Performance of Selected Enterprises

The selection and improvement of the performance of selected enterprises was done according to the revised project programme in distinct stages as follows:

- Diagnosis of twelve public industrial enterprises,
- Selection of three enterprises,
- Elaboration of three market studies,
- In depth-survey of selected enterprises,
- Design of improved management systems in selected enterprises,
- Implementation of improved management systems.

There were elaborated the following market studies:

- * The market analysis for agricultural implements and tools in the production programme of the Foundry and Mechanical Workshop.
- * The analysis of market of the Edible Oil Factory.
- * The market analysis for products of the Tannery and Shoe Factory, km7.

The overall approach to improvement of the performance by introducing the redesigned organizational structure and functional management systems, respectively, is exhibited in Annex 7.

Main feature of the approach is an emphasis on appropriate organization and management systems which are taking into consideration the prevailing conditions in Somalia. The proposed solutions are based on a combination of efficiency i.e. an improvement of performance and simplicity i.e. an easy implementation and longevity of implemented changes, as depicted in Annex 8.

Albeit, the implementation phase is delayed due to unforeseen events that are out of the control of project management and I.C.U. consultants.

The Figure 2 depicts the duration of each phase of the improvement of management system in average, as scheduled by the project and actual.

For all selected enterprises, the diagnostic and design stages are duly accomplished but the final stage-implementation is indefinitely delayed.

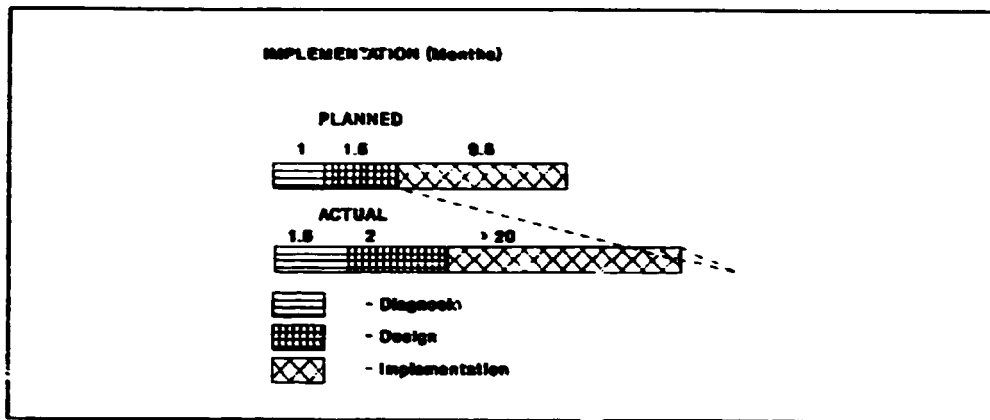


Figure 5.

The table 1 shows the main internal constraints that are impeding the implementation of improved management systems.

Table 1. Internal constraints for implementation of improved management systems

Foundry and Mechanical Workshop	Worn-out equipment Lack of working capital Product-mix for artisanal manufacturing Incapable management for industrial production Discontinuous artisanal production for many years
Tannery km7	Worn-out equipment Lack of working capital Lack of raw materials Incapable management Discontinues production since mid 1989
Cigarette and Match Factory	Lack of working capital to import raw material Discontinues production since 1988

In order to get the improved performance, by upgrading management systems in these factories, it is necessary, with outmost priority :

- * to give full autonomy to the enterprises (institutional reform) and to supplant present managers teams with the competent ones (Tannery km7, Foundry and Mechanical Work Shop);
- * to rehabilitate the equipment (Tannery, F.M.W.) and to replenish depleted working capital (all three factories).

Nobody can inspect any sign of recovery with counter effective management, derelict and out-of-use equipment and penny-less

enterprises.

During the execution of the project extension, as it was planned, they were selected the following industrial enterprises to be dealt with in the follow-up project:

- Somaltex,
- Pasta and Flour Plant,
- Brick Factory,
- Milk Factory,
- Coca Cola Bottling Company, and
- Maize Mill.

The support of the Ministry of Industry and the management and/or the owners were secured for the project activities.

In three out of six selected enterprises (Somaltex, Pasta and Flour Plant, Milk Factory), they were delineated the bench marks for the measurement of the performance improvement at the end of the follow-up project.

*** Training of National Professionals**

Training of national professionals was done through formal and on-job-training as it is presented in the Figure 3.

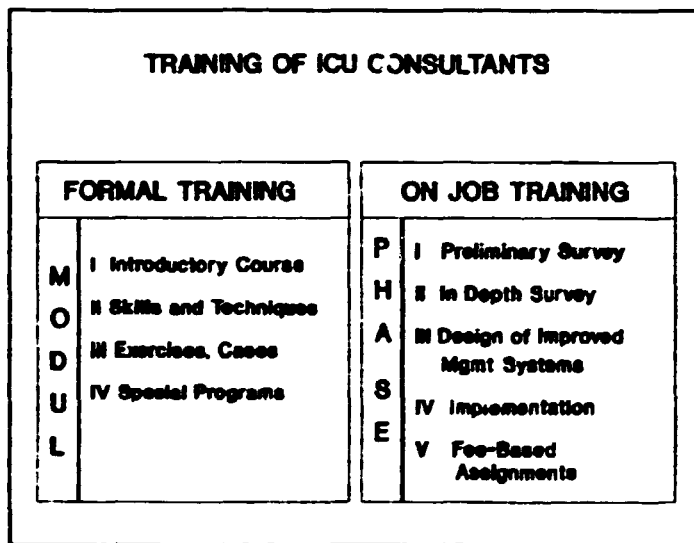


Figure 3

All the modules of formal training have been completed. Since the number of consultants was increased from six to ten, the courses were repeated. This was an opportunity to train new consultants and to refresh the knowledge of the first group. Total number of 12 consultants attended the formal training, of which 10 are working with the I.C.U., while 2 of them have left the Unit (one was joining UN organization and other was pursuing his professional career in U.S.A.). The names of trained consultants are given in Annex 9. The general review of training programmes, timing and duration of the courses and the names of lecturers are given in Annex 10. Full details of the training of I.C.U. consultants were expounded in the corresponding Interim reports.

All the phases of the on-job-training planned, except the phase related to implementation of improved management systems have been duly performed. As the continuation of the on-job-training, the fee-based and free-of-charge assignments were intensified, in order to gain missing experience of the national consultants although such assignments were not anticipated by the project activities and programmes.

One can raise a question on the extent to which the Unit is capable to perform the tasks stated in the immediate objective. It is closely related to the training and acquired skills of consultants employed by the Unit. It is well known fact that, even in more developed countries than Somalia, a substantial time is needed to bring up a consultant to the level of competence and experience required for carrying out independent consultancy services. The Figure 4 depicts a planned time by the project and an expected time for an average consultant to acquire the knowledge of consultancy methods and techniques and to gain the experience of consultancy vocation. It is apparent that the experience can be gained only through numerous consultancy assignments in an extended time horizon.

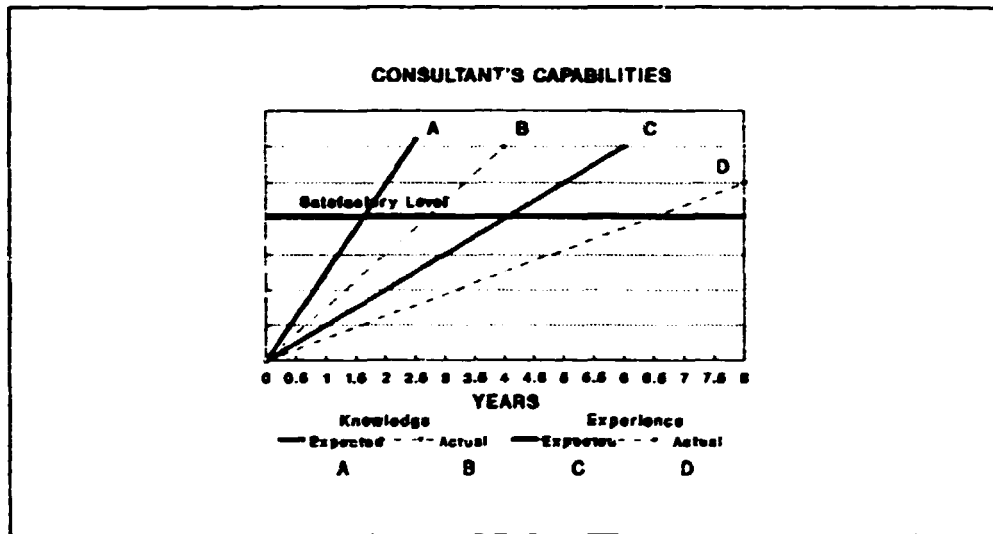


Figure 4

To detail further the meaning of capability of a consultant we can address to his ability to carry out independently various consultancy assignments. The Figures 5 and 6 show the assessments of average capabilities of I.C.U. consultants to carry out the phases of general assignments and the phases of specific assignments related to improvement of management systems, respectively. The phases of the assignment and the degrees of proficiency, ranging from 0, (lowest level of competence which needs 100% assistance of expatriate experts during assignments), up to 100, (full competence without any need for assistance) are shown on the x-axis and y-axis, respectively. The assessment was based on answers given by the consultants of the I.C.U. to the specifically prepared questioners at the beginning of May, 1990.

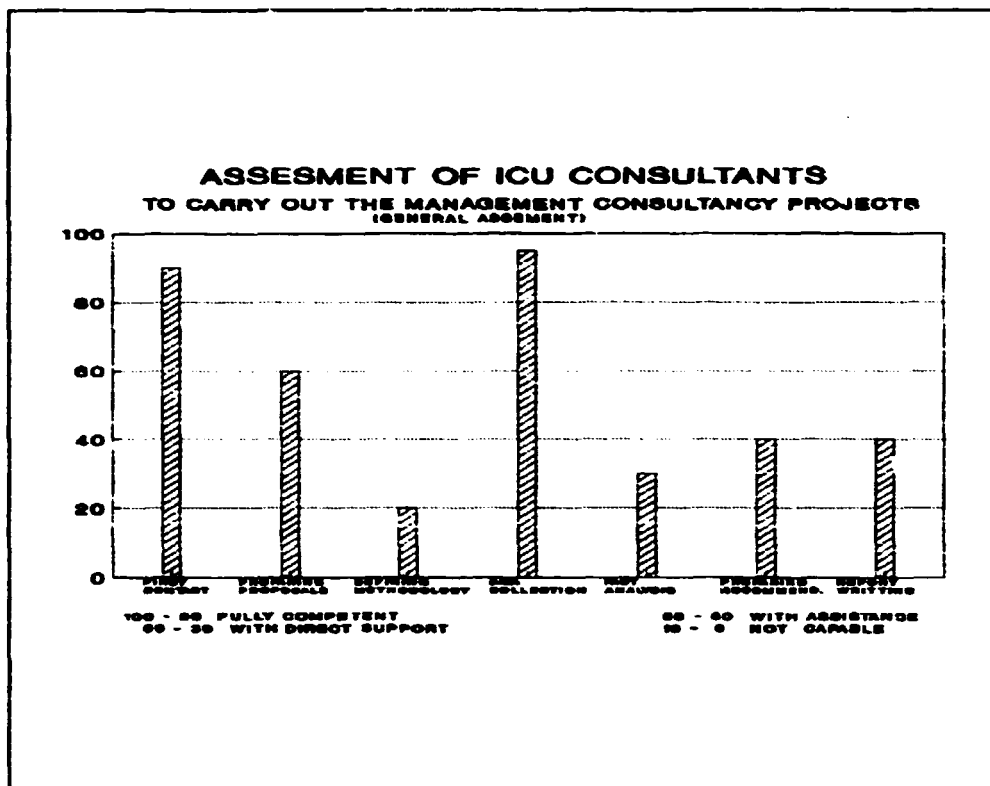


Figure 5

It can be noted that for general assignments in average, the consultants are fully capable to make first contacts with clients and to collect data but not sufficiently capable to define the approach and to make analysis of collected data (fact finding stage). In these stages they need support of experienced professionals. The similar conclusions could be derived from the assignments to improve management systems. Low capabilities appear in the intricate stages of diagnosis and design of the management systems.

The above appraisals of consultants proficiency were made in May 1990. It has to be noted that tremendous progress was made from the first fee-based assignments of I.C.U. consultants. For example, during the execution of W.D.I. project at the end of 1988, all intricate stages of the assignment were performed almost exclusively by expatriate experts, while in the recent projects, such as Brick Factory, I.T.O.P. and Pasta Factory, the local consultants have taken a major roles in projects elaboration and expatriate experts have been acting merely as their on-the job-training mentors.

*** Preparation of Manuals**

As a part of training, there were prepared manuals for the national consultants as an aid in prospective assignments. Although it was not required by the project document, there were prepared manuals for managers of selected enterprises with guidelines for

implementation of proposed management systems. The most important fact is that the manuals for managers were translated by national consultants, providing thus the first text books on management in Somali language. The list of prepared manuals is given in Annex 11 within the Register of Reports, Studies and Manuals.

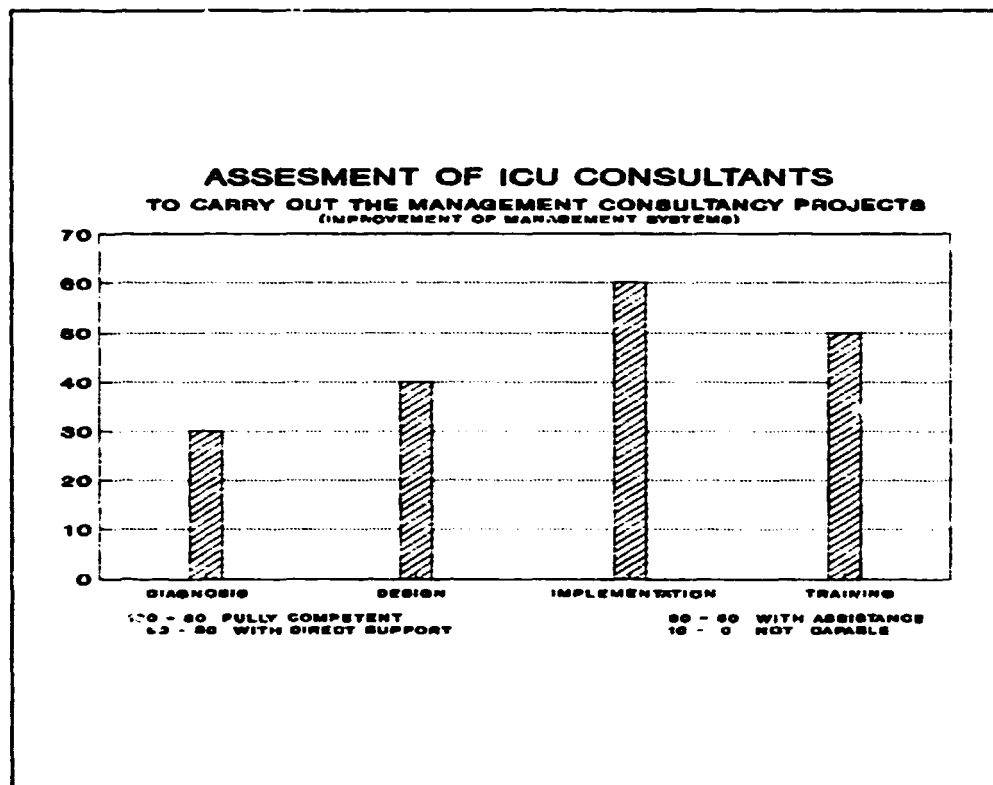


Figure 5

* Other Outputs

At top of all above mentioned planned and delivered outputs many other activities were undertaken, resulting in numerous outputs, not envisaged by the project document. It has to be praised many fee-based assignments of ICU (see Annex 11) which provided income for salaries of ICU consultants and other expences as well as oportunity to gain experience and to build the market image. After 19 months, from the begining of the project, ICU embarked on fee-based practice. Those consultancy services reached unpaired quantity of 25 assignments.

A deep insight into project activities and outputs can be obtained through an exhaustive list of papers, reports, manuals and other selective materials edited throughout the project life-cycle, which is given in the Annex 11.

The consultants, as well as administrative staff, are trained to use computers in their everyday tasks such as report writing, preparation of feasibility studies, etc. An internal computerized bookkeeping system has been established. Ad hoc consultancy services to the Ministry of Trade and Industry were accustomed.

The review of expatriate experts work in the project site, with the names and fields of specialization is given in Annex 12. Full details of their work were expounded in current Interim Reports.

For other particulars of the project, the reader of this report can address to the following documents:

- * Technical Report on the Project Start-up
- * Interim Reports (from no. 1 up to no.8)
- * Project Performance Evaluation Report, I and II
- * Report on the Training of National Consultants
- * Status Report (Report on the project extension activities and other issues after temporarily withdrawal of UNIDO experts)
- * Other relevant documents (see Annex 11).

D) LESSONS

a) Self-reliance

The very concept of the project to establish a national management consultancy unit, conceived by UNDP, has to be praised. It is a right way to increase national self-reliance. Activities of consultancy unit certainly will have a long term impact on revitalization of national industry through development of managerial skills, improvement of efficiency in industrial enterprises, directing development by elaborating appropriate investment programmes and delivering other specific consultancy services. The needed know-how in the field of management could be easily diffused by national professionals which are well acquainted with local conditions and which are, needless to say, speaking common language.

Within the wide scope of national self-reliance, a self-reliance of the Unit itself has to be included. *Conditio sine qua non* of the very existence of the Unit is its market orientation and self-supporting status, programmed by the project document. Any departure from this concept in future will be harmful for the existence and the role of the Unit in the industrial development of Somalia. The Unit should not become another "white elephant" in the row of many public entities. Thus does not mean that the Unit could not be supported. It simply means that any prospective backing has to be well conceived and scrutinized in line with above mentioned principles.

b) I.C.U. project as an umbrella project

During the execution of the project, its scope was extended. Two, new projects were adjoined to I.C.U. project: Industrial Maintenance Management and U.N. Volunteers Support to

Rehabilitation of Public Industrial Enterprises. Based on the initial positive experience, the scope of an umbrella project, such as I.C.U., can be extended:

- to cover other aspects of industrial revitalization such as institutional reform, strengthening of Ministry of Trade and Industry, redefining industrial strategies and policies, etc,
- to adjoin interrelated small-scale projects with specific objectives, outputs and activities relying on the pool of national professionals, established project management and other available sources of needed support,
- to provide grounds for complementary UNDP projects, through sharing facilities (offices, transport, administrative support) in order to reduce respective projects costs,
- to provide wide range of backing to short-term field missions of UNDP, UNIDO or other experts.

c) Execution of the project

Assignment of project's execution to consulting firm through subcontract, had a multiple positive effects on project performance and its outputs. The number of delivered outputs was much higher than planned, being a result of synergy effects of real team work. In ordinary projects with combined group of experts from different countries and with their diverse backgrounds and aptitudes, the time to form a coherent project team is extended with high possibilities of internal rifts which are bound to impair the project performance. Experts from subcontracted firm normally work together for many years and apply unified and synchronized approach already tested in other assignments. Hence the targeted transfer of consultancy know-how is considerably facilitated.

d) Internal management of the project

The I.C.U. project is rather complex project in terms of type and volume of performed activities and delivered outputs, number of expatriate experts and national professionals and duration of the project. Based on lessons learnt during project execution, it could be recommended the following:

-Project manager's duty has to be solely to manage such a complex project, without any other duties of the field expert.

-Selection of national professionals should be done by project management from the pool of candidates proposed by the local government.

-Project co-ordinator should be selected, too, by project management, from the group of already selected national professionals.

-Administrative staff, as a prerequisite for successful running of complex projects, has to be trained, too. Lot of efforts were devoted to training of I.C.U. typist (use of word processing software), project manager secretary (filing of documentation, letter drafting, etc.), I.C.U. bookkeeper (use of computer for accounting purposes). These activities were not planned within the

project. In any similar future project such activities should be adequately planned, performed and corresponding outputs produced.

-Salaries, or at least a part of that, paid to national professionals under service agreement, should be related to their individual performance.

e) Support from UNDP local office

For projects executed in the countries with underdeveloped infrastructure there is a need to provide a better administrative support from UNDP local offices. It has to be noted that this support was missing in some fields, such as librarian and other technical information, paper work for recruitment and service agreement extensions, custom clearance work, etc., while in other fields such as handling of request for petty cash, post and telex services, etc. was at the high level. The difference in the quality of services is coming from the shop-floor employees work attitudes. They have high job security, the highest salaries in Somalia including social benefits (far more exceeding those of project national professionals), but they are producing rather low outputs. As a proof that, in spite of earnest efforts of superior staff and applied standard work procedures, the outputs depend on the personal capabilities and efforts, can be taken a case where a new man assigned to do custom clearance jobs, improved the previously low level of services considerably.

There are some other lessons and consecutive recommendations geared to improve efficiency and reduce costs of projects, such as:

-to reduce the procurement costs and to ensure timely delivery, the supply of office stationary (copying and computer paper, note books, register files etc.), spare parts for copiers and project vehicle and any other common items should be channeled and pooled through UNDP office.

-to organize an efficient maintenance of sophisticated equipment such as computers, printers, copier-machines and vehicles, through joint maintenance services, on a fee-bases, for all projects under auspices of UNDP. Hence the costs and duration of services would be considerably reduced and their quality would be significantly improved.

- for the equipment not so frequently used by the projects, such as overhead projectors, slide projectors, projection screens, etc, it would be cost-wise to have a joint stock of that equipment which would be shared and financed proportionally by several projects.

E) FOLLOW-UP RECOMMENDATIONS

The coming period is turning to be crucial for the restructuring and the revitalization of Somali industry under severe constraints of the insufficient resources and reduced support of donor countries. The expected overall changes will be, most likely, advanced through increased self-reliance i.e. the

better utilization of untapped potentials of underutilized installed capacities, misused available skilled people, discarded local raw materials and scarce but not efficiently used financial resources. Both private and reanimated public industrial enterprises will be compelled to rely on their own means. The improved institutional set-up is prerequisite for any prospective positive change. The I.C.U. will have an indispensable role in these endeavours.

Starting point in the process of revitalization is manifold institutional reform with an aim to remove many organizational, legal and other constraints, hampering economic and industrial development. In the main stream of reform, it is the process of privatization of inefficient public enterprises. Small scale, private industries, as well as large scale industries based on joint-ventures, will be spear-heads of prospective industrial development.

Ministry of Trade and Industry needs to be strengthened and internally reformed, in order to undertake more complex tasks of support to both private and remaining public sector of industry.

Rehabilitation of public manufacturing sector will require a considerable improvements of management through training of managers, general and functional management upgrading and consultancy services to management. This is a prerequisite for accomplishment of overwhelming revitalization of Somali industry.

Private manufacturing sector, although still marginal in terms of employment or value added, has great potentials with its flexibility and efficiency. The private sector needs a wide range of direct and indirect support which will encourage the enterpreneurs, facilitate establishment of new units and clear the ways for successful running of business.

In order to rehabilitate both public and private manufacturing sector under aegis of the Ministry of Trade and Industry, it is proposed to include in the next country programme the project:

REHABILITATION OF PUBLIC AND PRIVATE INDUSTRIAL ENTERPRISES.

The project should provide a direct support to the Ministry in its endeavours:

- to speed-up the institutional changes,
- to conceive and implement the programme of privatization,
- to rehabilitate the remaining public manufacturing sector,
- to create genuine support to private manufacturing sector.

The support should be partially delivered through subcontracting consultancy services to I.C.U., the first national management consultancy unit founded by UNIDO. The I.C.U. would be backed by expatriate experts, engaged by UNIDO.

The engagement of UNIDO experts will not be confined only to back the I.C.U. consultants but also to perform other planned activities such as further on-the-job training of I.C.U. consultants, development of entrepreneurship, support studies, etc.

UNIDO inputs: experts, administrative staff, equipment and petty cash contribution for the project will sustain, too. the stabilization of the I.C.U.

Why the I.C.U. is best suited to takeover some of the planed tasks of the project of rehabilitation of Somali industry?

Through existing activities: formal and on-the-job training, fee-based services to public and private enterprises and support to the Ministry of Industry, I.C.U. consultants have got well acquainted with:

- peculiarities of the industrial development in Somalia,
- embracing institutional set-up,
- management practices and deficiencies in both public and private industrial enterprises.

Through numerous field assignments I.C.U. consultants have developed the appropriate approaches to solve wide range of problems besetting Somali manufacturing enterprises. A valuable data bank on the structure and performance of Somali industry has been created, while valuable equipment and aids for consultancy assignments are already acquired or developed. It has to be mentioned that the upgrading of managerial skills through adequate training, has to be executed on Somali language by the trained nationals. The I.C.U. consultants are the most appropriate candidates to become trainers in terms of time and needed skills. There is an urgent need to define and to execute a well conceived, continuous, programme for formal and on-the job-training of managers from public and private industrial enterprises including development of entrepreneurship.

I.C.U. needs, too, an extended, but limited in scope, support since it is a young consultancy organization lacking confidence, experience as well as proper penetration in the market of consultancy services. The support to I.C.U. through UNIDO experts and funds for supporting staff and equipment has to be phased-out gradually in order not to hamper the long and painstaking process of the development of I.C.U. as a successful and self-reliable consultancy organization.

This support can be secured partially through the proposed project of rehabilitation of Somali industry.

There are a lot of constraints that have to be overcome in order to ensure longevity of I.C.U., the institution which establishment was the prime objective of the Project.

Keys of the prosperity of I.C.U. can be traced in:

- capabilities of I.C.U. consultants to carry out independently various management consultancy assignments with full satisfaction of clients for quality and timely delivery of services,

- volume and range of demand for management consultancy services.

Capabilities of an consultant are stemming out of his acquaintance with consultancy know-how and his experience. Both can be acquired through continuous formal and on-the-job training. The extended formal training is needed to refresh as well as to enrich the theoretical knowledge while on-the-job training is indispensable to acquire the experience and to enlarge the practical knowledge of consultancy skills and techniques. It has to be underlined that the formation of a capable management consultant in any environment, is a long process, but it is more pronounced in a country such as Somalia which is on the verge of industrial development.

As a continuation of the process of national consultants capabilities development, there is an utter task to support the Consultancy Unit staffed with young consultants in terms of working experience, self-confidence and adaptability to ever changing consultancy assignments. In order to be self-sustained, the Unit has to sell management consultancy services in domestic market which is rather diversified in terms of range of services as well as undeveloped in terms of volume of demand. The domestic market for consultancy services is characterized by high needs, albeit rather low demand due to insufficient purchasing power of customers and lack of tradition and/or habits to use consultancy services. The needed support to I.C.U. has to be framed in such a way that the sound principles of foundation of the Unit-independence and self-sustenance through fee based services- are not impaired.

It is highly recommended to use the I.C.U. and a perspective project on Rehabilitation of Somali industry as an umbrella for the projects with the same and/or similar objectives in industrial and related sectors. Through this arrangement, it will be provided high efficiency with reduced project's costs and efforts while the self-reliance would be further enhanced.

F. BUDGET

INPUTS

The inputs for the Project were provided by UNDP, as well as by the Governments of Somalia and Yugoslavia.

UNDP Inputs

The initial UNDP budget amounted US \$ 1,128,400. Total budget including all mandatory revisions of the project and allotted project extension reached US \$ 1,545,932. This amount has been increased in order to provide sufficient funds to purchase necessary equipment, to meet various sundry expenses as well as to cover national professionals and expatriate experts expences. However, the main increase of UNDP budget related to the enrichment and enlargement of the Project, agreed during the First Tripartite

Project Review.

The initial and final budget, as well as the increases arising from mandatory revisions are shown on pages 31 and 32 respectively. It should be noted that the total budget is shown including the budget for the project extension.

The yearly phasing of the UNDP budget is also shown, starting from 1987 through 1990, as years of the Project start-up and termination respectively.

UNDP BUDGET (Including extension) Expressed in US Dollars

Country: Somalia
Project Number: DP-SOM/86/034
Project Title: Establishment of an Industrial Consultancy Unit

B/L	Description	Total Budget		1987		1988		1989		1990	
		M/N	Total US\$	M/N	Total US\$	M/N	Total US\$	M/N	Total US\$	M/N	Total US\$
11-50	Short term consultants	3,7	50,000							3,7	50,000
13-00	Administrative support personnel		59,000		3,945		17,574		11,914		25,547
15-00	Project travel		6,000		-		2,135		296		3,569
16-00	Other personnel costs		19,500		343		5,210		9,000		5,947
17-01	Project coordinator	23,0	16,200	4,7	2,806	12,0	8,152	6,3	4,840		402
17-02	National consultants	210,0	140,112	28,2	14,982	72,0	42,499	80,2	39,144	29,6	43,428
19-99	Component total - PERSONNEL		290,812		21,976		75,589		50,956		132,291
21-00	Subcontracts		1,047,000		160,000		250,000		307,000		300,000
23-00	Individual fellowships		22,300						18,000		4,300
25-00	Study tours/UNEP group tour		20,000				14,105		4,320		1,375
27-99	Component total - TRAINING		42,300				14,105		22,320		5,675
41-00	Expendable equipment		24,000		1,297		9,744		2,622		10,297
42-00	Non-expendable equipment		139,732		58,225		18,970		7,428		25,000
49-99	Component total - EQUIPMENT		163,732		59,522		28,714		10,050		35,297
51-00	Sundries		33,798		2,149		7,330		8,319		16,000
99-99	PROJECT TOTAL		1,545,932		247,747		405,732		407,004		489,443

UNDP BUDGET

Expressed in US Dollars

Country: Somalia
 Project Number: DP-SOM/86/034
 Project Title: Establishment of an Industrial Consultancy Unit

B/L Description	Original Budget		Increases		Total Budget	
	M/N	Total US\$	M/N	Total US \$	M/N	Total US\$
11-50 Short term consultants		0	3,7	50,000	3,7	50,000
13-00 Administrative support personnel		50,000		3,000		59,000
50-50 Project travel		0		6,000		6,000
16-000 Other Personnel costs		19,500		0		19,500
17-01 Project coordinator	18	16,200	5	0	23	16,200
17-02 National consultants	108	96,400	102	53,712	210	140,112
19-99 Component total - PERSONNEL	125	172,00	110,7	113,712	236,7	289,812
21-00 Subcontracts		850,000		197,00		1,047,00
31-00 Individual fellowships		22,300		0		22,300
32-00 Study tours/UNDP group tour		20,000		0		20,000
33-99 Component total - TRAINING		42,300		0		42,300
41-00 Expendable equipment		6,000		18,000		24,000
42-00 Non-expendable equipment		44,000		65,733		109,733
49-99 Component total - EQUIPMENT		50,000		83,733		133,733
51-00 Sundries		14,000		19,798		33,798
99-99 PROJECT TOTAL		1,128,400		417,532		1,545,932

Government of Somalia Inputs

At the initial stage of the Project it was planned for the Government of Somalia to provide an input in kind, comprising the premises and necessary support services. The value of this input was estimated to be Sh.S. 4,500,000 or, expressed at the rate of exchange ruling at that time, US \$ 45,000.

During the Project implementation, the Government of Somalia decided to provide further support to the Project by allowing a substantial sum in a form of Government Counterpart Contribution in Cash (CCC), starting from the year 1988 through 1990. The CCC budgets for these years are shown below.

GOVERNMENT COUNTERPART CONTRIBUTION IN CASH (CCC)

Country: Somalia
 Project Number: GP-SOM/25/024
 Project Title: Establishment of 21 Industrial Consultancy Unit

B/L	Description	Total	1988	1989	1990
---	-----	----	----	----	----
16-00	Incentives and allowances to participating personnel	1,906,800	392,400	514,400	1,000,000
17-00	National experts	3,000,000			3,000,000
19-99	Component total - PERSONNEL	4,906,800	392,400	514,400	4,000,000
33-01	In-service training	1,398,250	300,000	263,250	835,000
41-11	Expendable equipment	1,038,600	188,600	900,000	
41-12	Consumable office supplies	686,700	64,000	300,000	322,700
43-17	Premises	1,960,000	400,000	760,000	800,000
49-99	Component total - EQUIPMENT	3,735,300	652,600	1,960,000	1,122,700
51-10	Vehicle maintenance and operation	2,378,350	319,350	494,000	1,565,000
51-40	Other	818,000	268,000	150,000	400,000
56-01	Support costs	463,300	67,650	118,350	277,300
59-99	Component total - MISCELLANEOUS	3,659,650	655,000	762,350	2,242,300
99-99	PROJECT TOTAL	13,700,000	2,000,000	3,500,000	8,200,000
Rate of exchange ruling at the time of CCC budgets approvals			230	380	1,210
CCC budget expressed in US \$		24,684	8,696	9,211	6,777

c) Other inputs

In addition to the resources ensured through the UNDP and Government of Somalia, Government of Yugoslavia and Institute for Industrial Economics have provided US\$ 62,000 for the training of I.C.U. consultants in Yugoslavia (May 21-June 26, 1989).

ANNEXES

LIST OF PUBLIC INDUSTRIAL ENTERPRISES
UNDER AEGIS OF
THE MINISTRY OF TRADE AND INDUSTRY

N*	Enterprise	Location
1.	Juba Sugar Project (JSP)	Marerey
2.	Jowhar Sugar Factory (SNAI)	Jowhar
3.	SNAI-BIASA (A Subsidiary of SNAI)	"
4.	Somali Textile Factory (SOMALTEX)	Balad
5.	Cigarette and Match Factory	Mogadishu
6.	Foundry and Mechanical Workshop (FMW)	"
7.	Edible Oil Mill	"
8.	Aluminum Utensils	"
9.	Mogadishu Dairy Plant (Milk Factory)	"
10.	Urea Plant	"
11.	Oil Refinery (Iraq-Soma)	"
12.	Sopral Meat Factory	"
13.	Tannery and Shoe Factory (Km.7)	"
14.	Kismayo Tannery	"
15.	Hargeysa Pickling Plant	Hargeysa
16.	Burao Pickling Plant	Burao
17.	Berbera Cement Agency (BCA)	Berbera
18.	Gypsum Plant	"
19.	Asbestos Sheet Plant	"
20.	Auto Maintenance Factory (WDI)	Mogadishu

DEVELOPMENT AND IMMEDIATE OBJECTIVES

a) Original Project Document

* Development Objectives

-Establishment of a Consultancy unit to speed up and promote modern industrial consultancy and management capabilities.

-Rehabilitation and improvement of the performance of the industries considered viable.

-Development and improvement of technical and management capabilities of the national personnel employed in the industrial sector.

* Immediate Objectives

-Establishment of a national industrial consultancy unit capable of diagnosing and solving problems, determining necessary actions to be taken as well as specific plans of operations and advising on their implementation in the fields of management, production and maintenance, finance and marketing.

-Separation of the viable from non viable industries.

-Trained nationals qualified to carry out independently the functions and responsibilities as specified in the programme of the unit.

b) Revised Project Document

* Development Objectives

-Establishment of a Consultancy unit to speed up and promote modern industrial consultancy and management capabilities.

-Rehabilitation and improvement of the performance of industries.

-Development and improvement of management capabilities of the national personnel employed in the industrial sector.

* Immediate Objectives

-Establishment of a national industrial consultancy unit capable of diagnosing and solving problems, determining necessary actions to be taken as well as specific plans of operations and advising on their implementation in the fields of general management, production management, finance management and marketing management.

-Improvement of the performance of three selected enterprises by designing and introducing improved management systems.

-Trained at least seven consultants qualified to carry out independently the functions and responsibilities as specified in the programme of the unit.

PROJECT ACTIVITIES

Original Project Document

	Targetdate -----
1.1.1. Draw up consultancy Unit organigram specifying the responsibilities of the Unit, its status, modalities of delivery of its service and system for review and revision	31.8.87
1.1.2. Discuss above proposals for the organization of the Consultancy Unit	10.9.87
1.1.3. Formulate the final version of the consultancy organization service structure for implementation	15.9.87
1.1.4. Arrange for the approval of the proposals.	15.9.87
1.1.5. Select national staff	as soon possible
1.1.6. Establish Consultancy Unit	30.9.87
1.1.7. Draw up Consultancy Unit activities plan	during project period
1.1.8. Discuss and decide on the above plan.	30.9.87
1.1.9. Implement the plan.	during pro- jectperiod
1.1.10. Review and adjust the plans as required	"
1.2.1. Survey industries and prepare assessment reports of twelve (12) enterprises including action plans for problems identified	31.12.87
1.2.2. Based on assessment reports discuss with government and determine on choice of 3 enterprises to be assisted.	15.01.88
1.2.3. Prepare a list of requirements and action programme for solution of problems identified for enterprises requiring support.	31.01.88
1.3.1. Participate in problem solving at enterprises level.	duration of the project

- | | | |
|---------|--|-------------------------|
| 1.3.2. | Arrange for implementation and training of enterprises and Ministries staff through provision of management consultancy | " |
| 1.3.3. | Supervise the follow-up of the recommendations of the assessment reports. | " |
| 1.3.4. | Hold operation reviews at the plant site ministry level. | " |
| 1.3.5. | Develop management systems | 30.04.88 |
| 1.3.6. | Discuss with Government | 10.05.88 |
| 1.3.7. | Prepare a list of requirements and action programme for implementation of systems. | 15.05.88 |
| 1.3.8. | Arrange for implementation training | duration of the project |
| 1.3.9. | Participate in implementation and training of all enterprises staff. | " |
| 1.3.10. | Hold operation reviews at the plant site and ministry level and make necessary alterations in the systems. | " |
| 1.4.1. | Survey industries and make comprehensive study of three enterprises including action programme for problems identified. | 31.03.88 |
| 1.4.2. | Prepare assessment reports | 31.03.88 |
| 1.4.3. | Discuss with Government | 10.02.88 |
| 1.4.4. | Prepare a list of requirements and action programme for solution of problems identified for enterprises requiring support. | 10.04.88 |
| 1.4.5. | Arrange for required facilities | 10.11.88 |
| 1.4.6. | Participate in making studies and introducing better practices in marketing. | duration of the project |
| 1.4.7. | Hold operation reviews at the plant site and at ministry level | " |
| 2.1.1. | Systematic training of national consultants in their respective fields and in consultancy methodology. | " |
| 2.1.2. | Prepare and conduct on-the-job seminars, workshops as well as other forms of training | " |
| 2.1.3. | Undertake consultancy oriented projects in selected enterprises and through problem solving | " |

process, training of the Somali national consultants systematically increasing their involvement and responsibility in solving enterprises problems including training monitoring performance, assisting

2.1.4. Review progress towards self-reliance periodically and make adjustments as required	duration of the project
2.2.1. Draft manuals with examples	30.05.88
2.2.2. Implement manuals in the field and collect relevant details during field activities for case studies to be added to the manuals.	30.02.89
2.2.3. Prepare final versions of manuals.	31.05.89
2.2.4. Implement the revised manuals with specially prepared (but required) field activities in enterprises.	duration of the project
2.2.5. Review the efficacy of the manuals and incorporate in the manuals the changes required.	"

Revised Project Document

1.1.1. Draw up consultancy unit organigram specifying the responsibilities of the unit, its status, modalities of delivery of its service and system for review and revision.	15.11.87
1.1.2. Discuss above proposals for the organization of the consultancy unit.	25.11.87
1.1.3. Formulate the final version of the consultancy organization service structure for implementation	30.11.87
1.1.4. Arrange for the approval fo the proposals.	30.11.87
1.1.5. Select nationals staff.	as soon
1.1.6. Establish consultancy unit.	15.01.88
1.1.7. Draw up consultancy unit activities plan	Project period
1.1.8. Discuss and decide on the above plan.	15.01.88
1.1.9. Implement the plan.	Project period
1.1.10. Review and adjust the plans as required.	"
2.1.1. Survey industries and prepare assessment reports of twelve (12) enterprises including action plans for problems identified.	15.03.88

- | | | |
|--------|---|-------------------------|
| 2.1.2. | Based on assessment reports discuss with Government and determine on choice of 3 enterprises to be assisted. | 01.04.88 |
| 2.1.3. | Survey industries and make comprehensive study of three enterprises including action programme for problems identified. | 15.06.88 |
| 2.1.4. | Prepare assessment reports. | 15.06.88 |
| 2.1.5. | Discuss with Government. | 15.06.88 |
| 2.1.6. | Prepare a list of requirements and action programmes for solution of problems requiring support in the selected enterprises. | 25.07.88 |
| 2.1.7. | Design and assist in implementation of specific management systems in three selected enterprises. | 15.07.88 |
| 2.1.8. | Prepare and conduct on-the-job seminars workshops as well as other forms of training for managers for selected enterprises. | duration of the project |
| 2.2.1. | Participate in making studies and introducing better practices in marketing. | 30.11.88 |
| 2.2.2. | Prepare a short market survey in three selected enterprises. | 30.11.88 |
| 3.1.1. | Systematic training of formed and on-the-job of at least national consultants in their respective fields and in consultancy methodology | duration of the project |
| 3.2.1. | Draft manuals for consultants. | 15.08.88 |
| 3.2.2. | Prepare final versions of manuals. | 15.08.88 |
| 3.2.3. | Review the efficiency of the manuals and incorporate in the manuals the changes required. | duration of the project |

MEMORANDUM OF ASSOCIATION
THE STATUTE OF
"INDUSTRIAL CONSULTANCY UNIT" LTD

CHAPTER ONE

NAME, REGISTERED OFFICE AND OBJECTIVES

Art. 1

1.1. The "Industrial Consultancy Unit" hereinafter referred to as the unit is hereby established.

1.2. The Unit is a limited share holding company.

Art. 2

2.1. The Unit shall have its legal headquarters in Mogadishu, Somalia. Branch offices can be established in other districts of the Somali Democratic Republic and/or abroad if the Board of Directors considers necessary and viable.

Art. 3

3.1. The objectives of the Unit shall particularly be the following:

(i) To render **management consulting services** to the private, public, corporate and other enterprises, governmental and other agencies, bodies and institutions in Somalia.

(ii) To render consulting services to the group of clients referred to in paragraph 1, above in the preparation and elaboration of the **economic and other studies and projects** related to industrial and socio-economic development.

(iii) To initiate, sponsor, organize, conduct and/or provide its facilities and services to, **management training programmes** in the fields covered by the activities of the Unit.

(iv) To render the services mentioned in Paragraphs (i)-(iii) above to the international organizations and agencies operating in Somalia.

(v) To render in somalia and/or abroad the services mentioned in Paragraphs (i)-(iii) above to the juridical personalities registered abroad.

(vi) To publish, and/or assist in publishing socio-economic studies and literature on management and management training.

(vii) To initiate, sponsor, organize, and provide its facilities and services to, national and international conferences and seminars related to the areas of activities of the Unit.

(viii) To render the services referred to in paragraphs (i)-(vii) above at a competitive price ensuring adequate financial return to the unit necessary for its normal functioning and self-sustained growth.

(ix) To actively participate in various activities aimed at fostering and promoting the position and status of the management and economic research at micro and macro levels

(x) To carry out any other business which may be advantageously carried out, in the opinion of the Board of Directors, in connection with or ancilliary to the general business of the Unit.

Art. 4

Powers

4.1. The Unit shall have the following rights:

(i) To adopt and use corporate seal with full contractual faculty to lend and borrow money, to acquire and dispose of fixed and other assets & liabilities of the Unit.

(ii) to keep proper books of account and formulate internal rules and procedures for the good management and control of accounts, financial affairs and performance of the Unit.

(iii) To sue and be sued in its corporate name.

CHAPTER TWO

Authorised capital

Art. 5

5.1. The authorised capital of the Unit is So.Shs. divided into shares of So.shs. each.

5.2. Each share is represented by an indivisible registered "par" value

5.3. The Authorised Capital of the Unit can be increased or reduced but after the alteration "modification" of paragraphs (5.1. and 5.2.) of this article.

Art. 6

Financial Provisions

6.1. The Initial paid up capital of the Unit shall be composed of the following:

6.1.1. The present book value of physical Investment financed by the State for the Establishment of the Unit.

6.1.2. The value assigned to the good-will representing the accumulated knowledge of trained ICU consultants

6.2. Shares corresponding to the Initial paid up Capital (Preference Shares) will be owned by The Ministry of Industry and ICU consultants according to the values of items in paras.6.1.1. and 6.1.2.

Art.7

7.1 Other financial provision of the unit shall be composed of the following:

7.1.1. Government contributions from the Budget

7.1.2. Present book value of the Existing assets of the DP/SOM/86/034 project and other UNIDO projects related to the establishment of the Unit.

7.1.3. Net profit made by the Unit from its projects and operations.

7.1.4. Loans and credits obtained by the Unit

7.1.5. Gifts, grants and donations extended to the Unit by national or international firms and organizations, or by private companies and individuals.

7.2. The evaluation and transefer of UNIDO contribution shall take place at the end of project DP/SOM/86/034 and other projects and their subsequent changes and extensions,if any.

Art. 8

8.1. Contribution in the form of physical assets and goodwill shall be evaluated by a recognised expert and designated by (the tribunal, Ministry of Finance etc....). Description of assets, their value and the criteria for evaluation shall be a part of "attached to" the Memorandum of Association.

CHAPTER THREE

Management and Organization

Art. 9

9.1. The Unit shall have the following organs:

- (i) Share holders assembly "General Meeting"
- (ii) Board of Directors
- (iii) Managing Director
- (iv) An independent Auditor

Art. 10

10.1. The general assembly is composed of all registered holders of the unit's shares. they are members of the Unit.

10.2. The members as a body shall meet as a general meeting (G.M.) of the Unit.

10.3. The general meeting can be ordinary (Annual general meeting) and extraordinary (Extra-ordinary general meeting).

10.4. The general meeting is chaired by the person appointed by share holders.

Art.11

Responsibilities of General Meetings

11.1. The ordinary general meeting is responsible for the following:

- (i) Appointment and removal of members of the Board;
- (ii) Appointment and removal of managing director;
- (iii) Appointment and removal of auditors;
- (iv) Approval of the final audited accounts
- (iv) Determination of Directors and Auditors remuneration;
- (v) Approval of internal rules
- (vi) Any other policy decisions not entrusted with or delegated to the Board.

Art.12

12.1. The extra-ordinary general meeting (EGM) is responsible of

the following:

- Modification of the memorandum and articles of association,
- Modification of internal rules
- Issue of shares and debentures
- Debate and take appropriate decisions on any other extraordinary issues

Art.13

Procedures of General Meetings

13.1 The annual general meeting shall take place once in each calendar year and within four months from the end of the financial year.

13.2. The Directors have the power to convene an extra-ordinary general meeting whenever they see fit, through a requisition of members holding at least 1/5 of the paid up capital or their representatives.

The requisition shall be signed and contain the objects of the meeting.

13.3. The chairman of the Board shall circulate via registered mail or publish in the official daily news paper notice of general meetings to share holders at least 15 days before the dates the meetings shall take place.

13.4. The presence of members holding 50% of paid capital or their representatives shall constitute a quorum for any general meeting. If non quorum is present, the meeting is adjourned.

13.5. A general meeting resolution shall be passed by ordinary majority vote.

Art.14

Board of Directors

(i) The Board of Directors shall consist of the following 4 members:

- A representative of the Ministry of Industry;
- The managing director of the Unit;
- A senior ICU consultant;
- A private entrepreneur;

(ii) The Chairman of the Board will be nominated by the G.M.

(iii) A Board member is nominated for a period not exceeding 3 years. Any member can be re-elected or removed.

Art.15

Responsibilities of the Board of Directors

14.1. The Board of Directors as the highest representative of the Public interests in the Management of the Unit shall have the following functions and responsibilities:

(i) Approval of the long-term and medium-term plans and programmes of the Unit.

(ii) Approval of annual plans and evaluation of performance of the Unit.

(iii) Evaluation of periodical reports on the financial position and performance of the Unit.

(iv) The election of the Managing Director of the unit, from within the directors.

(v) Approval of the main principles of the internal rules and norms.

(vi) Approval of joint-ventures and/or other forms of long-term cooperation of the Unit with national or foreign partners.

(vii) Provision of suggestions and recommendations on strengthening the income generation activities of the Unit.

(viii) Provision of assistance in promoting the market position of the Unit.

(ix) Monitoring and coordination of the activities of the Unit during the time UNIDO handling the project on "Establishment of an Industrial Consultancy Unit" and any other projects entrusted by UNJDO to ICU.

(x) Any other responsibilities given to the Board of Directors by the General Meetings.

15.2. The Board of Directors shall have the power to delegate the execution of any of its functions and responsibilities stated in Paragraph 1 of this Article to the Chairman of the Board.

Art.16

Responsibilities of the Chairman

16.1. The Chairman shall have the following responsibilities:

(i) To convene General Meetings and chair meetings of the Board of Directors.

(ii) To represent the Board with third parties.

(iii) To follow-up and verify the execution of the objectives of the Unit, the fulfillment of the resolutions of both General Meetings and the Board of Directors and the proper management of the Unit.

(iv) To perform any other responsibilities entrusted to him by General Meetings and the Board.

Art. 17

Procedure at Board Meetings

17.1. The Board of Directors shall meet at least once every six months.

17.2. The Board of Directors may have extra-ordinary meetings when such meetings are considered necessary.

17.3. The Chairman of the Board shall convene the Board meetings. Notice of such meetings to members of the Board shall be circulated at least 15 days before the dates the meetings shall take place.

17.4. One third of the members of the Board of Directors may request the Chairman to convene an extra-ordinary meeting of the Board. The chairman shall convene the meeting within 21 days of the date of receipt of the request.

17.5. The presence of more than one half of the voting members shall constitute a quorum for any meeting of the Board.

17.6. The managing director, a member of the Board of Directors, has no voting rights.

17.7. A Board resolution shall be passed by ordinary majority vote and, in the event of a tie, the Chairman shall have a casting vote. The approved resolutions of the Board of Directors shall be circulated to the members of the Board within 10 days of the meeting date at which they were approved.

17.8. In the absence of the Chairman or a person officially replacing the Chairman, the present voting members of the Board shall nominate one of its members to take the chair in that meeting.

Art. 18

Responsibilities of the Managing director

17.1. The Managing Director shall be the chief executive of the Unit and shall have full authority for its administration within the framework of this Statute, Internal rules of the Unit and policy decisions of the Board of Directors, and the Laws of the Somali Democratic Republic. He shall have in particular the following responsibilities:

(i) To plan, direct, coordinate and control the activities and affairs of the Unit in order to ensure the attainment of the objectives for which the Unit has been established.

(ii) To elaborate practical measures and instruments necessary for the fulfillment of the annual plans and programmes of the Unit.

(iii) To manage and administer the affairs and funds of the Unit.

(iv) To ensure the necessary level of inter and intra project coordination within the Unit in order to ensure unique internal methodologies, work standards and quality of the services rendered by the Unit.

(v) To promote the market position of the Unit and to coordinate all individual efforts in this connection.

(vi) To present the annual budget and the annual closed accounts to the Board of Directors.

(vii) To present to the Board of Directors all reports, documents and information necessary for policy formulation and decision making within the responsibilities of the Board of Directors.

(viii) To represent the Unit with third parties.

(ix) To perform any other responsibility given to the Managing Director by this memorandum of association and/or by the Internal Rules of the Unit.

CHAPTER FOUR

Special Provisions

Art.19

The Accounts of the Unit

19.1. The Unit shall open its bank accounts in which its transactions in money shall be clearly accounted.

19.2. The Unit shall have the right to open foreign currency account in the Somali Banking institutions and abroad in order to enable all necessary transactions in foreign currency and abroad.

19.3. The Unit shall control these accounts and utilize the funds exclusively for the purpose of the Unit. The unit shall at all times keep proper books of account of all its transactions.

Art.20

The Budget

20.1. The Unit shall have its own budget. The annual budget of the Unit shall start from first January and end on 31st December.

Art.21

The Closing of Accounts

21.1. The Managing Director of the Unit shall close the annual accounts of the Unit on the apreceding year before 1st March every year and submit them to the Board of Directors.

21.2. At the same time, the Managing Director shall submit a copy of the closed accounts to professional auditor appointed by the General Meeting.

21.3. The Auditor shall prepare a detailed report on the findings on the Balance sheet and profit and Loss Accounts to the Board of Directors.

21.4. The Board of Directors, after having considered the Audit Report, shall convene the general meeting to approve the final accounts.

Art.22

Relations with Foreign Partners

22.1. Within the framework of the existing Laws of the Somali Democratic Republic, the Unit shall enjoy the freedom of choice for its suppliers and contractors:

(i) The freedom of importation of all equipment, facilities, spare parts, consumables and goods required by the Unit.

(ii) The freedom of choice for the partners the Unit might need for rendering its services either on the basis of agreement on cooperation or in the form of joint venture.

(iii) The freedom of movement in Somalia and abroad of equipment and the staff employed in rendering the services of the Unit.

Art.23

Movement of Capital

23.1. Within the framework of the Laws and regulations on external trade and foreign exchange, the Unit will exercise the right to:

(i) Transfer from Somalia, the funds kept on its foreign currency accounts in order to respond to its obligations and liabilities to foreign partners.

(ii) Receive on its foreign currency accounts, the foreign currency income generated by its operations in somalia or abroad.

(iii) Benefit from the most favourable exchange rates of the foreign currency required for its operations.

Art.24

Exemptions

24.1. The Unit shall seek exemption from all duties and taxes including customs duties and taxes for a period specified by existing laws and regulations.

Art.25

Temporary Entry System

25.1. The Unit will benefit from the system of importation under temporary entry system (normal or special, as applicable) for all its imports of equipment and materials, machines and facilities which are directly required for exercising the services that the Unit is rendering, when such equipment and other items are intended to be re-exported after use.

Art.26

Fees for Services

26.1. The Unit will charge fees for the services that are rendered based on the amount of work and costs involved and on the policy of maintaining its competitive position.

CHAPTER FIVE

Transitional and final provisions

Art.27

Participation of the United Nations

27.1. The period during which UNIDO is handling the project on "Establishment of an Industrial Consultancy Unit" - DP/SOM/86/034- and other projects entrusted to ICU and their subsequent extensions and/or changes shall be considered as transitional period.

27.2. During the transitional period, the functions of the Board of Directors and Managing Director of the Unit will be carried out by the following two organs:

27.2.1. The present Technical Committee of the Ministry of Industry will act as the Board of the Unit and shall include one additional member elected among ICU national consultant

27.2.2. A Committee chaired by the project CTA and including the project coordinator and one national consultant will act as a Managing Director of the Unit.

27.3. The Unit internal management (i.e. remuneration systems, leaves, training etc.) will be regulated by Internal Rules and in accordance with existing States laws and regulations.

**TRAINING COURSES PERFORMED
BY I.C.U. CONSULTANTS**

**1. Seminar on Evaluation of Performance of Public
and Private Enterprises**

February 24th - 20th March 1990

The seminar was designed and conducted by the consultants of Industrial Consultancy Unit (ICU) and was held in the Ministry of Commerce and Industry. The participants were the Ministry's officers. The duration of seminar was 12 days (3 days per week, 2 hours per day). For the lectures there were used slides and computer prints. At the end of seminar, the hand-outs were distributed to the participants. The lectures were evaluated by the participants through appropriate evaluation forms. The seminar was financed by the Ministry of Trade and Industry.

1.1. Programme of the Seminar

Saturday	24th Feb.	9.00-10.00 a.m.	Opening ceremony- speech of H.E. Minister Ministry of Commerce and Industry
		10.00-11.00 a.m.	Registration of participants
Monday	26th Feb.	9.00-10.00 a.m.	Management Concept Bana Mohamed Sayid- Cernovsek
		10.00-11.00 a.m.	Financial Management Mohamed Abdi Elmi - Cvetanovic
Wednesday	28th Feb.	9.00-10.00 a.m.	Production Management Yusuf Ainab Mohamed
		10.00-11.00 a.m.	Marketing Management Mohamoud Abdi Farah
Saturday	3rd March	9.00-10.00 a.m.	Management Information System Hassan Yusuf Noor - Cernovsek
		10.00-11.00 a.m.	Financial Statements Analysis Mohamud Abdi Elmi - Cvetanovic

Monday 5th March 9.00-11.00 a.m. Financial Statement Analysis
Mohamud Abdi Elmi -
Cvetanovic

Wednesday 7th March 9.00-11.00 a.m. Financial Statement Analysis
Mohamud Abdi Elmi -
Cvetanovic

Saturday 10th March 9.00-11.00 a.m. Financial Statements Analysis
Mohamud Abdi Elmi-
Cvetanovic

Monday 12th March 9.00-10.00 a.m. Organization Structure
Bana Mohamed Sayid-
Mohamed Aden Ahmed

10.00-11.00 a.m. Personnel Management
Bana Mohamed Sayid-
Cernovsek

Wednesday 14th March 9.00-10.00 a.m. Project Management
Muse Ahmed Muse

10.00-11.00 a.m. Organization Structure
(Case Study)
Bana Mohamed Sayid-
Cernovsek

Saturday 17th March 9.00-11.00 a.m. Production Management
(Case Study)
Yusuf Ainab Mohamed
Mohamed Aden Ahmed

Monday 19th March 9.00-11.00 a.m. Management Information System
(Case Study)
Hassan Yusuf Noor -
Cernovsek

Tuesday 20th March 9.00-10.00 a.m. Closing Ceremony

1.2. Evaluation of the Seminar on Evaluation of
Performance of Public and Private Enterprise
24th Feb-20th March 1990

<u>1. Objective explained</u>	<u>Prevailing Marks</u>
(evaluation form 1-5)	4.46
<u>2. Objective achieved</u>	
(evaluation form 1-5)	4.28
<u>3. Selection of methods</u>	
(evaluation form 1-5)	4.76
<u>4. Content</u> quite appropriate	most of the participants
<u>5. Quality of handouts</u> "	"
<u>and visual aids</u>	
<u>6. Quantity of handouts</u> "	"
<u>7. The most valuable sessions:</u>	
Financial Management	
Marketing Management	
Management Information System	
Production Management	
Organization Structure	
<u>8. More time should be allowed for full treatment of topics</u>	
<u>by priority:</u>	
Production Management	
Financial Management	
Marketing Management	
Personnel Management	
Management Information Systems	
Project Management	
<u>9. Does the General arrangement and development of subject matter</u>	
<u>appear logical?</u>	
All the participants responded affirmatively	

**1.3. List of Participants of the Seminar
Evaluation of Performance of
Public and Private enterprises
24th Feb. - 20th March 1990**

1.	Yusuf Hussein Abdulle	Senior Staff of Ministry of Commerce and Industry	"
2.	Qasim Sheikh Omar		"
3.	Abdi Mohamoud Hassan		"
4.	Abdulahi Mohamed Hassan		"
5.	Noor Hirsi Bahal		"
6.	Ahmed Hassan Shire		"
7.	Bashir Ali Noor		"
8.	Hussein Mohamed Farah		"
9.	Sahra Osman Adan		"
10.	Abdulle Mohamed Ali		"
11.	Mohamed Ali Mohmoud		"
12.	Osman Abukar Hassan		"
13.	Sasead Ahmed Mohamed		"
14.	Mohamed Ahmed		"
15.	Abdirahman Yusuf Cartan		"
16.	Abdulkadir Hersi Mohamed		"
17.	Ali Mohamed Geedi		"
18.	Abdi Abdullahi Ahmed		"
19.	Mohamed Abdi Ibrahim		"
20.	Huseein Abdi Adan		"
21.	Mohamed Yusuf Farah		"
22.	Mohamed Xaji Huseein		"
23.	Mohamed Abdullahi Mohamed		"
24.	Da'ud Yusuf Farah		"
25.	Ahmed Hassan Adan		"
26.	Osman Ahmed Jama		"
27.	Ahmed Adan Jama		"
28.	Mohamed Ahmed Adan		"
29.	Samira Abdullahi Hassan		"
30.	Mohamed Ali Hersi		"
31.	Osman Mohamed Juley		"

2. Seminar on industrial management for managers of public enterprises, 5th-26th May 1990

The seminar was designed and conducted by the consultants of Industrial Consultancy Unit (ICU) and was held in the ICU compound. The participants were the public enterprises managers. The duration of the seminar was 10 days (22 hours). For the lectures there were used slides and computer prints. At the end of seminar, the hand-outs were distributed to the participants. The content and presentations were evaluated by the participants through appropriate evaluation forms. The seminar was financed by the Ministry of Trade and Industry.

2.1. Programme of the Seminar

Saturday	5th May	9.00-10.00 a.m.	Opening ceremony- speech of H.E. Minister, Ministry of Commerce and Industry
Monday	7th May	9.00-12.00 a.m.	Management Concept - Management Functions Bana Mohamed Sayid
Wednesday	9th May	9.00-11.00 a.m.	Financial Management Mohamed Abdi Elmi
Saturday	12th May	9.00-11.00 a.m.	Financial Management (continuation)
Monday	14th May	9.00-12.00 a.m.	Marketing Management Mohamoud A. Farah
Wednesday	16th May	9.00-11.00 a.m.	Production Management Production Planning and Control Yusuf Ainab Muse
Saturday	19th May	9.00-10.00 a.m.	Production Management Maintenance Management Abdi Farah Isse
		10.00-11.00 a.m.	Production Management- Stock Control Mohamed Aden Ahmed
Monday	21st May	9.00-10.00 a.m.	Personnel Management Bana Mohamed Sayid
		10.00-12.00 a.m.	Project Management Muse Ahmed Muse
Wednesday	23rd May	9.00-11.00 a.m.	Management Information System Hassan Yusuf Noor

11.00-12.00 a.m. Evaluation of the Seminar

Saturday 26th May 9.00-10.00 a.m. Closing Ceremony

2.2. Evaluation of the Seminar on Industrial Management for
Managers of Public Enterprises

<u>1. Objectives Explained</u>		<u>Prevailing Marks</u>
(Evaluation Form 1-5)		4.11
<u>2. Objectives Achieved</u>		
(Evaluation Form 1-5)		4.11
<u>3. Organization of Seminar</u>		3.4
<u>4. Selection of Method of Instruction</u>		3.1
<u>5. Content</u>	Quite appropriate	All participants
<u>6. Participants Active</u>	"	"
<u>7. Quality of Handouts And Visual Aids.</u>	"	"
<u>8. Quantity of Handouts</u>	"	"
<u>9. Time Allotted</u>	"	"
<u>10. The Most Valuable Sessions According to the Priority.</u>		
a) Management Information System		
b) Production Management		
c) Financial Management		
d) Management		
e) Marketing Management		
<u>11. More time should be allowed for full treatment of topics by priority:</u>		
a) Production Management		

b) Management Information System

c) Management Concept

d) Financial Management

e) Marketing Management

12. Does the General arrangement and development of subject matter appear logical?

All the participant responded affirmatively.

2.3. List of Participants

1. Omer H. Mohamed, Director of Administration - Pharmaceutical Plant
2. Sirad Ali Malin, Agricultural Workshop Super.- JSP
3. Ahmed J. Abdulle, Personnel superintendent - JSP
4. Ali Moh. Shiekh, Head of Qaulity coontrol - Pharmaceutical Plant
5. Mohamed Mal. Ahmed, Head of material MGT. "
6. Yusuf H. Mohamed, Director of Production - Cigarette and Match Factory
7. Kassim Ahmed Ali, Planning Officer "
8. Abdi Moh. Hassan, Senior Office - Ministry of Commerce & Industry
9. Muse Moh. Ahmed, Head of Welding Workshop - SNAI-Sugar Factory
10. Muse Abdulle Isaq, Factory Manager, "
11. Yusuf Hus. Abdulle, Training Manager - Ministry of Commerce and Industry

3. Seminar for Formen of Public Enterprises 27th - 28th May 1990.

The seminar was designed and conducted by the consultants of Industrial Consultancy Unit (ICU) and was held in the premises of the I.C.U.. The participants were the formen of the public enterprises. The duration of the seminar was only 2 days (4 hours per day). For the lectures there were used slides and computer prints. At the end of seminar, the hand-outs were distributed to the participants. The seminar was financed by the Ministry of Trade and Industry.

3.1. Programme of the Seminar for Formen of Public Enterprises

Sunday 27th May 9:00 - 9:45 a.m.	Role of Forman Abdi Farah Issa
9:45 -10:45 a.m.	Organization Structure Bana Mohamed Sayid
10:45 -11:45 a.m.	Work Study Yusuf Ainab
11:00 -11:45 a.m.	Work Study Cont. Yusuf Ainab
12:15 -12:45 p.m.	Marketing Concept Mohamoud H. Abdulle
Monday 28th May 9:00 - 9:30 a.m.	Role of Forman Cont. Abdi Farah Issa
9:30 -10:00 a.m.	Cost Control Mohamed Abdi Elmi
10:00 -10:45 a.m.	Production Management Yusuf Ainab
11:00 -11:30 a.m.	Information Systems Hassan Yusuf Noor
11:30 -12:00 a.m	Production Management Yusuf Ainab
12:00 -12:45 a.m.	Work Improvements Yusuf Ainab

3.2. List of Participants of Seminar for Formen

1. Mohamed Sh.Abdiskadir Machines Forman SNAI Sugar Factory
2. Mohamed Muqtar Iman Chemcial Sec.Forman "

- | | | |
|--------------------------|-------------------------|------------------------------|
| 3. Mohamed Hassan Mohoud | Personnel Admi.Super. | Juba Sugar Project |
| 4. Muse Hussein Abdi | Maintenance Forman | Cigarette & Match
Factory |
| 5. Jama Abdi Diriye | General Machanic | " |
| 6. Shuaib Hassan Moh'd | Factory Workshop Super. | Juba Sugar Project |
| 7. Abdi Mohamed Ali | Forman of Section | Pharmaceutical |
| 8. Ahmed Hussein Elmi | Casting Forman | Foundry |
| 9. Diriye Hassan Mawo | Social Welfare Forman | Somaltex |

TRANSITIONAL INCENTIVE SYSTEM

Chapter One Objective

1.1. The main aim of the incentive system is to establish and maintain the spirit of high individual and collective motivation.

1.2. Personnel income and all other costs shall be approved only on the basis of collected revenues.

Chapter Two Income Structure

2.1. The personnel income will have the following structure:

A- Basic Salary(Fixed)	50%
B- Incentives(Variable)	50%
C= (A+B)Total Income	100%

2.2. Distribution of income will be based on project m/m income. Accordingly, income per m/m is distinguished into five main categories as detailed in the Appendix I.

2.3. Maximum and minimum incentives as well as basic salaries that will be paid will depend on on overall income position of ICU and will be determined by The Management Committee.

2.4. The incentives will have the following structure:

- b1- 25% Marketing incentive;
- b2- 10% Preparation of terms of references and project proposal;
- b3- 15% Leading the project team;
- b4- 50% Project Elaboration;

Chapter Three Responsibilities of Project Team leader and the Management Committee

3.1. Project team leader will assume the following responsibilities:

- elaboration of project costs
- selection of the team members
- coordination of team members assignments
- elaboration of project schedule

- preparation and submission of periodical progressive reports to the management committed.
- preparation and submission of final project report.

- 3.2. Among many other responsibilities the Management Committee will have the following responsibilities with regard to projects:
- determine input of m/m per project and related income
 - determine and /or approval of other project cost
 - decide on the market incentives and selection of team leader
 - approval of project team proposed by the team leader
 - monitoring the project progress
 - approval of incentives payment or penalties reimbursement.

Chapter Four Payment Modality

4.1. The payment of any incentives will take place in accordance with the terms of reception of project income. However, and in any case incentives paid during the project can not exceed 50% of the total. The remaining shall be paid upon the completion and acceptance of the project's report (Approval of the final draft and receipt of Final payment).

4.2. Terms of payment of marketing incentives to agencies and /or brokers shall be decided by the Management Committee upon examination of each individual project.

Chapter Five Penalties

5.1. The team and/or any member(s) of the team will be subject to penalties if they fail to fulfill any of the above mentioned responsibilities or due to unjustified delay. The penalties will be:

- *50% of any kind of incentives paid to the project team leader if he fails to meet the dead line without justification or rejection of the report by the Management Committee of the Unit.

- *No incentives will be paid to the project team leader and members of the team if the project report is rejected by the client and the Management Committee is convinced by the client's justification. However, the team will be given the chance to amend or modify the report to the satisfaction of the clients as a precondition to receive a portion of the incentives; this portion will be decided by the Management Committee.

Chapter Six Other Incentives

6.1. Since supporting staff is believed to have an important role in the realisation of any assignments and at different stages, a portion of "Over-need" costs will be allocated for their incentives. The distribution will be jointly decided by Management

Committee and team leader. This will vary from case to another.

6.2. Incentives shall be paid to UNVs project team leader which will be decided by the Management Committee. Similar case will also be decided by the Management Committee.

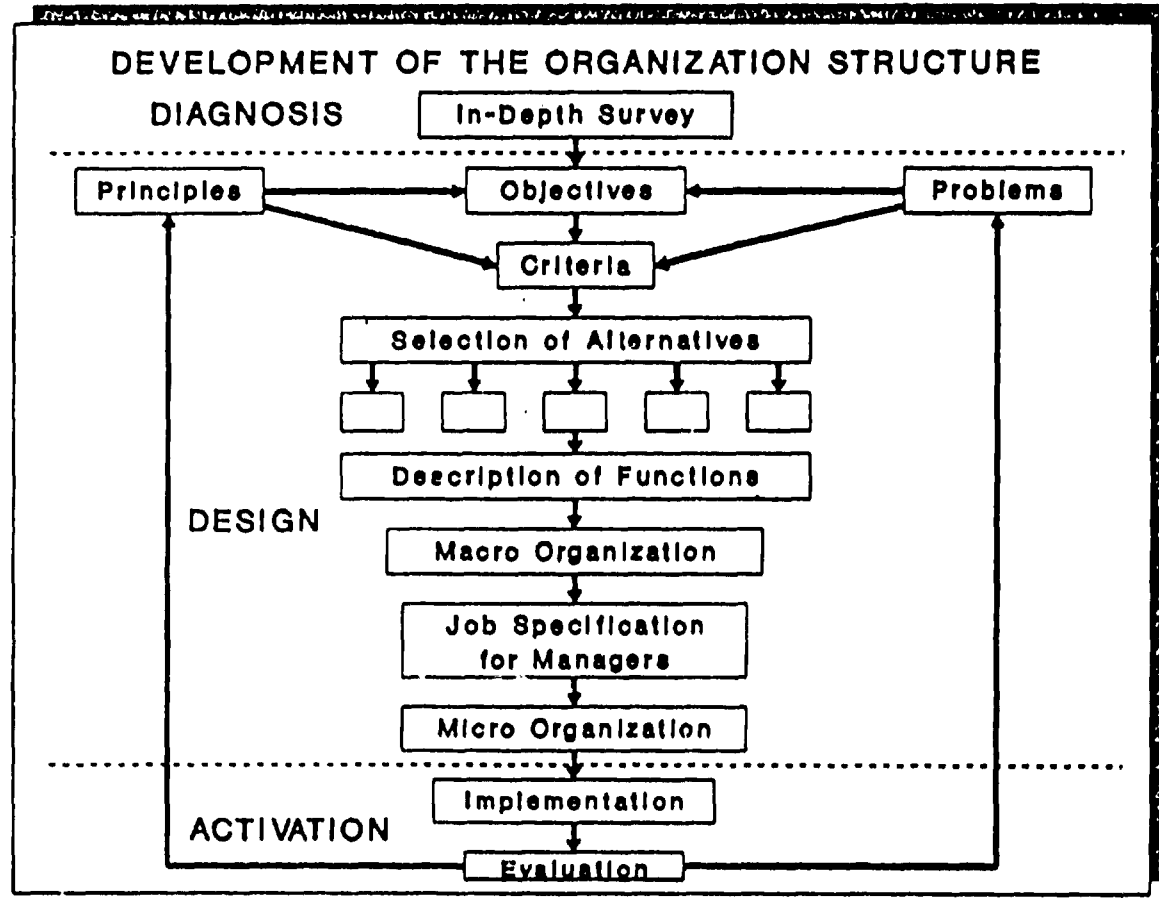
6.3. Incentives mentioned in 6.2 and "Other benefits" shall be paid from net income (profit).

Chapter Seven Entry Into Force

7.1. The incentive system will become effective when approved by the Technical Committed.

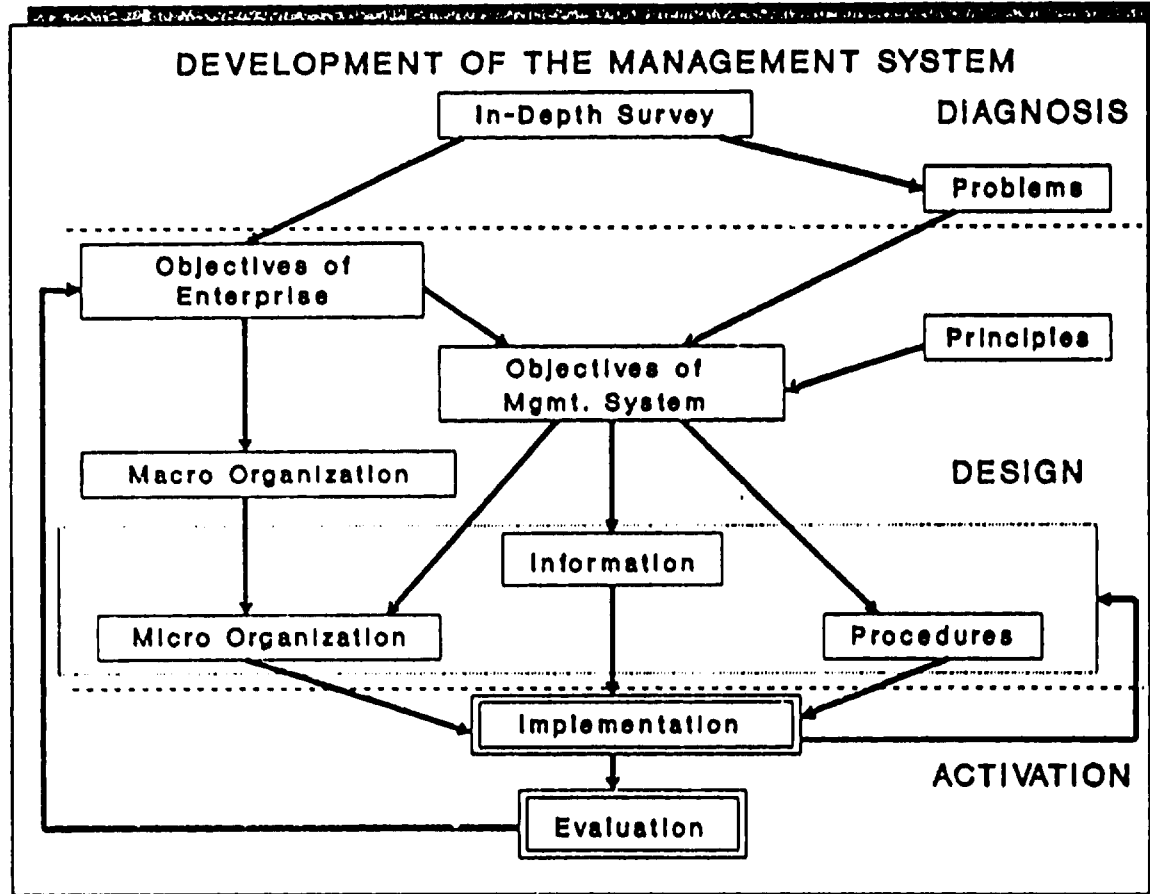


PRESENT STATUS



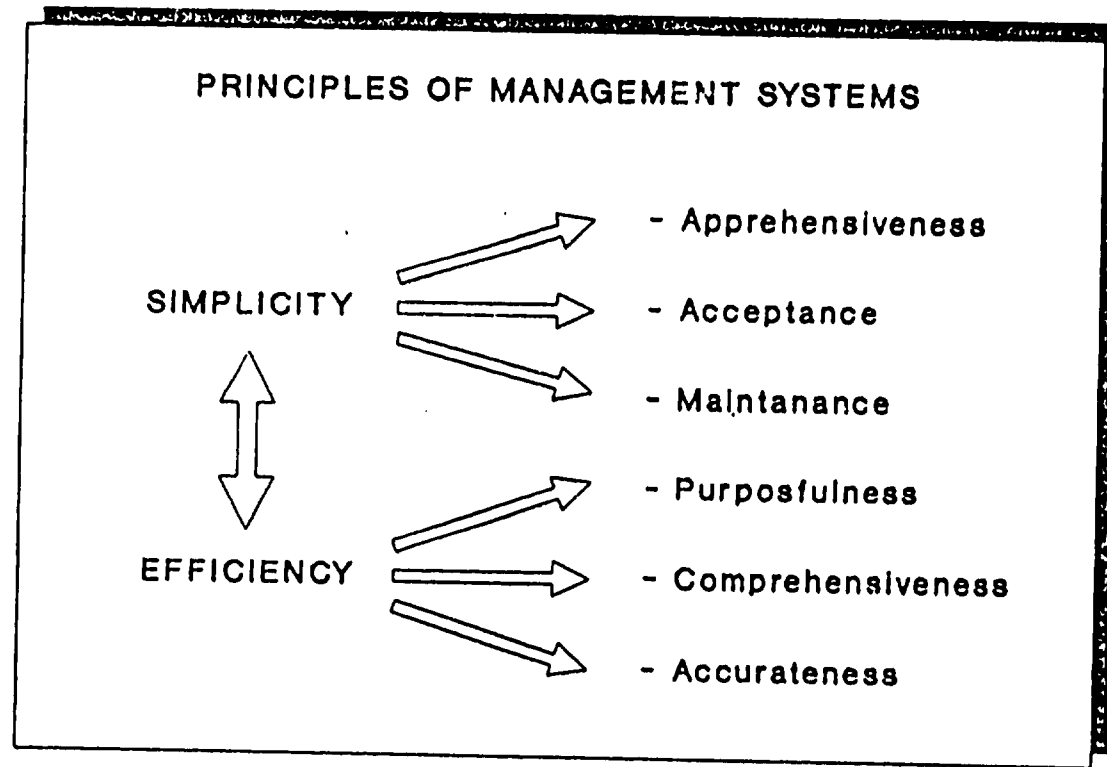


PRESENT STATUS





PRESENT STATUS



LIST OF TRAINED CONSULTANTS

<u>Name</u>	<u>Specialization</u>	<u>Joined on</u>	<u>Remarks</u>
1-Mohamed Abdi Elmi	Financial Management	09.08.87	
2-B M S Banafunzi	General "	"	
3-Abdi Farah Isse	Maintenance "	"	SOM/008
4-Yusuf Ainab Muse	Production "	"	
5-Mohamed Aden Ahmed	Quality Control	"	
6-Hassan Yusuf Noor	Mgt.Information Sys.	"	
7-Bashir Y. A. Bokah	Marketing Management	"	Resigned
8-Muse Ahmed Muse	Industrial Economist	02.02.88	
9-Ahmed Hassan Afi	Financial Analyst	"	
10-Ali Hagi Dualeh	Marketing Management	"	Resigned
11-Mohamoud H.Abdalla	" "	20.08.89	
12-Ali Mohamed Omar	Marketing & Computer	01.11.89	
13-Muhubo Jama Hersi	Computer Analyst	09.10.89	

TRAINING OF ICU CONSULTANTS
-PROGRAMMES AND DURATION OF TRAINING-

CONSULTANCY SKILLS AND TECHNIQUES

Lecturers I IEI consultants

Duration: 24 hours

Time: November 1987

Module II

Contents:

- 1.Continuous training - A method to Increase Productivity and Efficiency
- 2.Production Management - General Work Study and Work Measurement
- 3.Organization of Finance and Accounting Department
- 4.Presentations
- 5.Report Writing
- 6.Budgeting and Accounting
- 7.Cash Flow Forecasting
- 8.Production Planning and Control
- 9.Decision Tree (case study)
- 10.Quality Control
- 11.Working Capital Management
- 12.Investment Management
- 13.Persuasion
- 14.Project Management Concept
- 15.Inventory Control
- 16.Maintenance Management
- 17.Internal Controls
- 18.Interperation of Financial Statement

EXERCISES, CASE STUDIES

A.General Management

Lecturer: Branko Cernovsek

Duration: 12 hours

Time: January - February 1988

Module III

Contents:

- 1.Organization structure (group discussion)
- 2.Presentation (role playing)

B.Marketing Management

Lecturer: Dr. Vidosav Trickovic

Duration: 15 hours

Time: January - Februar 1988

Module III

Contents:

- 1.Marketing Concept, functions and Process
- 2.General and Specific Marketing Environment of the Enterprise
- 3.Customer Behavior - General Considerations
- 4.Customer Behavior - Consumer Goods

5. Customer Behavior - Industrial Goods
6. Marketing Research and Planning
7. Product Planning
8. Distribution Planning
9. Promotion - Mix Planning
10. Marketing Organization

C. Financial Management

Lecturer: Milivoje Cvetanovico
Duration: 12 hours
Time: January - February 1988

Module III

Contents:

1. Scope and Organization of Financial Function (Group Discussion)
2. Basic Principles of Accounting (Group Discussion)
3. Cost Accounting
4. Management Accounting (Case Study in Accounting)
5. Budgeting (Case Study)
6. Financial Statements Preparation and Reporting

D. Production Management

Lecturer: Dr. Pavle Popovic
Duration: 12 hours
Time: January - February 1988

Module III

Contents:

1. Material Management
2. Organizing for Production
3. Statistical Quality Control
4. Case Studies:
 - * General Electric Company
 - * Bottling Company
 - * Mechanical Workshop
 - * Furniture Company

CORPORATE (STRATEGIC) PLANNING

Lecturer: Milenko Gudic
Duration: 16 hours
Time: March 1988

Module IV

Contents:

1. The concept of Strategic Planning
2. Environment Analysis
3. Position Assessment
4. Development of Strategies
5. Development of Objectives
6. Corporate (Strategic) Plan
7. Organizational Aspects of Corporate (Strategic) Planning

MANAGEMENT INFORMATION SYSTEMS

Lecturer: Prof. Dr. Slobodan Krcevinac
Duration: 6 hours
Time: February 1989

Module IV

Contents:

1. Management
2. Data/Information/Action Relationship

- 3.Information-related Activities
- 4.Information Systems Type
- 5.Information System Life Cycle
- 6.Computer Technology

INDUSTRIAL FEASIBILITY STUDIES

Lcturer: Djordje Lajsic

Duration: 6 hours

Time: February 1989

Module IV

Contents:

- 1.Investment Project Development Cycle
- 2.Preparation of Industrial Feasibility Studies
- 3.Phases of the Project Cycle
- * Executive Summary
- * Project Background and History
- * Market and Plant Capacity
- * Material Inputs
- * Location and Site
- * Project Engineering
- * Plant Organization and Overhead Costs
- * Manpower
- * Project Implementation
- * Financial and Economic Evaluation

PROJECT MANAGEMENT

Lecturer: Danko Djunic

Duration: 16 hours

Time: March, 1989

Module IV

Contents:

- 1.Project Management Pasise
- 2.Construction Project Management-Control Systems
- 3.Project Management Software
- 4.Project Organization
- 5.Review of Selected Readings
- 6.Conclusions

TRAINING PROGRAMME

- YUGOSLAVIA -

Lecturers: IEI experts

Duration: 50 hours

Time: May - June 1989

Module II, III, IV

Contents:

- 1.Rural Development and Management of Local Initiative
- 2.Regional Development
- 3.Industrial Rehabilitation Projects (Case Study)
- 4.Industrial Maintenance Management
- 5.Network Planning Techniques
- 6.Capacity Utilization Measurement Techniques
- 7.Quality Control Management and Techniques
- 8.Alternative Technological Policies for Development
- 9.Development of Tourism in Small Buisness Sector (Case Study)
- 10.Managing an Management Consulting Firm
- 11.Managing an International Trade Company
- 12.Small-Scale Industry Development (Case Study)

13. Banking Industry and Industrial Development
14. Energy Management and Energy Saving Project (Case Study)
15. Management Consulting Firm
16. Development of Agroindustrial Complex.

MANAGING A MANAGEMENT CONSULTING FIRM

Attended by: ICU National Consultants
 Lecturer: Milenko Gudic (and dr. Petar Bjelica)
 Date: December 12 - 15, 1989
 Duration: 15 hours

Module I, IV

Contents:

1. CONSULTING AS A PROFESSIONAL SERVICE
 - 1.1. The Management Consulting Product
 - 1.2. Human Factor
2. CONSULTING AS A BUSINESS ACTIVITY
 - 2.1. Profit Orientation
 - 2.2. Labor and Knowledge Intensive Business
3. MANAGEMENT OF CONSULTING ACTIVITIES
4. STRATEGIC APPROACH TO THE MANAGEMENT OF CONSULTING FIRMS
 - 4.1. Multidimensional Nature of the Strategy
 - 4.2. Strategic Flexibility
5. STRATEGY FORMULATION AND IMPLEMENTATION
 - 5.1. Environment Analysis
 - 5.2. Position Assessment
 - 5.3. Strategy Formulation
 - 5.4. Strategy Implementation
6. CASE STUDY - INSTITUTE FOR INDUSTRIAL ECONOMICS
 - 6.1. The Origin of the Institute and Its Management Consulting Activities
 - 6.2. Strategic Concept
 - 6.3. Strategy Formulation
 - 6.3.1. Environment Analysis
 - 6.3.2. Position Assessment
 - 6.3.3. The Strategy

REGIONAL DEVELOPMENT STUDIES AND PROGRAMMES

Attended by: ICU National Consultants
 Lecturer: Dr Petar Bjelica (and Jadranka Vale)
 Date: December 18-19m 1989
 Duration: 8 hours

Module IV

Contents:

1. Specific approach to economic and industrial development at regional level
2. Factor analysis
3. Past trends analysis
4. Identification of opportunities and constraints
5. Future development alternatives
6. General strategies
7. Specific programmes and projects
8. Policies and implementation measures and instruments
9. Project management approach to regional studies
10. Regional studies as marketing instruments for a consulting firm.

TRAINING PROGRAMME
1987 - 1990

Content	Number of hours	Cons.	Participants Man.	Time	Module				Lecturer(s)
					I	II	III	IV	
* Introductory course	12	X		Sept.87	X				IEI Consult.
* Consultancy Skills & Techniques	24	X		Nov.87		X			
* Exercise Case studies	51	X		Jan-Feb. 1988			X		
* Corporate Planning	16	X	X	March 88				X	Gadic
* Project Management	15	X		June 88				X	UNDP - EI
* Consultancy Skills & Techniques - Cont.	5	X		June 88		X			Crnovsek
* Training of Managers	8		X	June 88					IEI Consult.
* Computers	12	X	X	July 88				X	Krcevinac
* Feasibility studies	6		X	Feb.89				X	Lajsic
* Project Management	16		X	Mar.89				X	Djunic
* Training of New consultants	10	X		Mar.89	X	X			Crnovsek
* Management Information Systems	6	X	X	Feb.89				X	IEI Consult.
* Training in Yugoslavia	50	X		May 89	X	X			Crnovsek
* Managing Mgmt Consultancy	15	X		Dec.89	X			X	Gadic
* Regional Studies	9	X		Dec.89				X	Bjelica
* Training of New consultant	9	X		Feb.90	X	X			Crnovsek

REGISTER OF REPORTS, STUDIES AND DOCUMENTS

1. Fee - based Services
- 1.1. Performance Evaluation of "Warshadda Dayactrika Isgaariinta" - EDI, (Development Bank), January 1989.
- 1.2. Feasibility Study for the Rehabilitation of Slat Production Jesira, Mogadishu, Somalia, (UNIDO), March 1989.
- 1.3. Feasibility Study for the Establishment of Lime Production in Mogadishu, Somalia, (UNIDO), March 1989.
- 1.4. Assessment of Investment Fund needs for Rehabilitation of Hides and Skins Agency (HASA), April 1989.
- 1.5. Assessment of Working Capital Problems of Hides and Skins Agency (HASA), April 1989.
- 1.6. Evaluation of Working Capital problems in Public and Private Industrial Enterprises, (Ministry of Finance, Ministry of Industry), August 1989.
- 1.7. Assessment of Investment Fund Needs for Rehabilitation of Public and Private Industrial Enterprises, (Ministry of Finance and Ministry of Industry), August 1989.
- 1.8. Opportunity Study for Ginning Plant, (Somaltex), November 1989.
- 1.9. Seminar on Evaluation of the Performance of Public and Private Enterprises, (Ministry of Trade and Industry), February 24-March 20, 1990.
- 1.10. Evaluation of the Pre-feasibility Study-Development of Cotton Cultivation and Processing in Somalia, (Somaltex), March 1990.
- 1.11. Seminar on Industrial Management, (Ministry of Trade and Industry), May 05-26, 1990.
- 1.12. Seminar on Role of Foremen in Industrial Enterprises, (Ministry of Trade and Industry), May 27- 1990.

- 1.13. Study on Economic Viability of Wheat-Flour and Pasta Plant, (Development Bank), May, 1990.
- 1.14. Technical Evaluation of the Assets of I.T.O.P. Factory and the Assessment of their Present Value, (Bekki Enterprises), June 1990.
- 1.15. Technical Evaluation of the Assets of Brick Factory and the Assessment of their Present Value, (Miro Dihin Enterprises), June 1990.
- 1.16. Training Course in Data Processing-Basic Course, (Milk Plant), June 1990.
- 1.17. Study on the Strangthening of Somali Film Agency, (Somali Film Agency), work in progrerss, target date August, 1990.
- 1.18. Feasibility Study for Manufacturing Terry Towels, (Somaltex), October 1990.
- 1.19. Assessment of the Viability of the Petroleum Refinery Operations, (Ministry of Industry), October 1990.
- 1.20. Assessment of Applied Technologies in Rural Areas (African Regional Center for Technology, Dakar, Senegal) project in due course.

2. Free of charge services
 - 2.1. Establishment of an Industrial Consultancu unit in Somalia (Report presented at the Symposium on Industrial Development in Somalia), October 11-14, Mogadishu.
 - 2.2. Report on the Symposium on Industrial Development in Somalia, November 1987.
 - 2.3. Options for Survival of Selected Enterprises - Berber? Cement, Juba Sugar, Somaltex, Fabruary 1988.
 - 2.4. Report on the Rehabilitation of Aluminum Utensils Factory, August, 1988.
 - 2.5. Industrial Policy in Somalia and the Role of the Ministry of Indusry, September 1988.
 - 2.6. Review of the Study Related to "Export markets for Somaltex", October 1988.
 - 2.7. Review of the Draft Rehabilitation and Expansion Feasibility Study for Somaltex, prepared by the Belgian Consulting firm UCO Engineering, November, 1988.
 - 2.8. ICU and the Bardheere Dam Project, November, 1988.

- 2.9. Selected Enterprises Key Data for the Second Symposium on Industrial Development of Somalia, February 1989.
- 2.10. Review of the Financial Analysis in the Final Version of the Rehabilitation and Expansion Feasibility Study for Somaltex, prepared by the Belgian consulting firm UCO Engineering, March 1989.
- 2.11. Rehabilitation of Public and Private Industrial Enterprises by Improving Management and Developing Entrepreneurship (project proposal for next country programme), September 1989.
- 2.12. Establishment of the Industrial Maintenance Center (project proposal for next country programme), September 1989.
- 2.13. Prospective Projects for the Ministry of Industry (proposals for UNIDO support-M. Janjic), November, 1989.
- 2.14. Speech of H.E. Minister for the Annual Meeting of UNIDO Member Countries, (draft) November, 1989.
- 2.15. Country Paper (UNIDO annual meeting), November 1989.
- 2.16. The Somali Public Sector - Diagnosis of the Present State and Alternatives for Future Development, March 1990.
- 2.17. A Programme for Recovery of the Somalian manufacturing Sector (set of draft project proposals for the next country programme under auspices of M.O.I.), March 1990.
- 2.18. Public Enterprises at the Crossroads: Options and Prospects, March 1990.
3. Manuals
- 3.1. Manual on Marketing for Consultants, November 1988.
- 3.2. Long-term Objectives and Action Plan for New Management System Design in the Foundry and Mechanical Workshop, June 1988.
- 3.3. Long-term Objectives and Action Plan for New Management system Design in the Cigarette and Match Factory, June 1988.
- 3.4. Long-term Objectives and Action Plan for New Management system Design in the Km 7 Tannery and Shoe Factory, June 1988.

- 3.5. Manual on Management Organization for the Foundry and Mechanical Workshop, December 1988.
- 3.6. Manual on Management Organization for the Cigarette and Match Factory, December 1988.
- 3.7. Manual on Management Organization for the Km 7 Tannery and Shoe Factory, December 1988.
- 3.8. Action Plan for the Implementation of the Micro-Organizational Structure in the Foundry and Mechanical Workshop, January 1989.
- 3.9. Action Plan for the Implementation of the Micro-Organizational Structure in the Cigarette and Match Factory, January 1989.
- 3.10. Action Plan for the Implementation of the Micro-Organizational Structure in the Km 7 Tannery and Shoe Factory, January 1989.
- 3.11. Manual on Budgets Preparation and Costing to the Foundry and Mechanical Workshop, February 1989.
- 3.12. Manual on Budgets Preparation and Costing for the Cigarette and Match Factory February 1989.
- 3.13. Manual on Budgets Preparation and Costing for the Km 7 Tannery and Shoe Factory, February 1989.
- 3.14. Manual for Consultants on Project Management (for the World Bank Rehabilitation Programme of Somali Industrial Enterprises), March 1989.
- 3.15. Manual on Management Consultancy - Methodology, Skills and Techniques, April 1989.
- 3.16. Manual for Consultants on Financial Management, July 1989.
- 3.17. Manual on Accounting System for the Foundry and Mechanical Workshop, July 1989.
- 3.18. Manual on Accounting System for the Cigarette and Match Factory, July 1989.
- 3.19. Manual on Accounting System for the Km 7 Tannery and Shoe Factory, July 1989.
- 3.20. Manual for Consultants on Production Planning and Control, August 1989.
- 3.21. Manual on Production Planning and Control for the Km 7 Tannery and Shoe Factory, September 1989.
- 3.22. Manual on Production Planning and Control for Foundry and Mechanical Workshop, November 1989.

- 3.23. Manual for Consultants on Strategic/Corporate Planning, November 1989.
- 3.24. Internal Management Information System Design and Operational Manual for the Foundry and Mechanical Workshop.
- 3.25. Internal Management Information System Design and Operational Manual for the Cigarette and Match Factory.
- 3.26. Internal Management Information System Design and Operational Manual for the Km 7 Tannery and Shoe Factory.
- 3.27. Manual for Consultants on Managing a Management Consulting Firm, December, 1989.
- 3.28. Methodological Framework for Preparation of Long-term Regional Development Programme, December 1989.
- 3.29. Buugga Gacan ku Haynta Qaabka Maareynta ee Warshadda Birta Shubta (Manual on Management Organization FMW, Somali translation), December 1989.
- 3.30. Buugga Gaca ku Haynta Qaabka Maareynta ee Warshadda Sigaarka iyo Tarrqa (Manual on Management Organization-CMF, Somali translation), December 1989.
- 3.31. Buugga Gacan ku Hayntay Qaabka Maaraynta ee Warshadda Hargaha Iyo Kabaha Km 7, (Manual on Management Organization - TSE km 7, Somali Translation), December 1990.
- 3.32. Buug Gacan ku Hayn ah oo ku saabsan Maareynta Habka Macluumaadka Gudaha ee Warshadda Kabaha iyo Saamaha. (Internal Management Information System - TSE Km 7, Somali translation), March 1990.
- 3.33. Buug Gacan ku Hayn ah oo ku saabsan Maareynta Habka Macluumaadka Gudaha ee Warshada Birta Shubta, (Internal Management Information System-FMW, Somali translation), March 1990.
- 3.34. Buug Gacan Hayn ah oo ku saabsan Maaraynta Habka Macluumaadka Gudaha Warshadda Sigaarka Iyo Tarrqa. (Internal Management Information System-CMF, Somali translation), March 1990.
- 4. Other planned reports within project
 - 4.1. Assessment Report on Preliminary Surveys of Twelve Industrial Enterprises, January 1988.
 - 4.2. Report on In-depth Survey of the Foundry and

- Mechanical Workshop, May 1988.
- 4.3. Report on In-depth Survey of the Km 7 Tannery and Shoe Factory, May 1988.
 - 4.4. Report on In-depth Survey of the Cigarette and Match Factory, May 1988.
 - 4.5. The Market Analysis for Agricultural Implements in the Production Programme of the Foundry and Metal Workshop. November 1988.
 - 4.6. The Analysis of Market of the Edible Oil Factory, November 1988.
 - 4.7. The Market Analysis for Products of the Tannery and Shoe Factory Km 7, November 1988.
5. Internal papers/documents
- 5.1. Establishment of the ICU (Consultancy organization Service Structure), November 1988.
 - 5.2. Carter of Conduct for Management Consultants in Somalia. November 1988.
 - 5.3. Alternative Suggestions for Promoting the Status of Management Consulting Firms in Somalioa, November 1988.
 - 5.4. Law on Establishment of the ICU, August 1989.
 - 5.5. Internal Rules for the Good Management and Control of Affairs and Performance of the ICU, August 1989.
 - 5.6. Brochure on Industrial Consultancy Unit, January 1989.
 - 5.7. Proposals for Constitution of ICU as a Private, Share-Holding Company, August 1989.
 - 5.8. Proposals for Inventive Payment Scheme in ICU, January 1990.
6. UNIDO/UNDP/M.O.I. Reports
- 6.1. Technical Reports on the Project Start-up, November 1987.
 - 6.2. First Interim Report, December 1987.
 - 6.3. Report on the Training of National Consultants, March 1988.

- 6.4. Second Interim Report, April 1988.
- 6.5. Project Performance Evaluation Report, April 1988.
- 6.6. Report on the Study Mission of the Delegation of the MOIC of Somalia to Pakistan, Egypt and Yugoslavia, June 1988.
- 6.7. Report on the Tripartite Review Meeting, July 1988.
- 6.8. Draft Project Document for the Industrial Maintenance Management Project, July 1988.
- 6.9. Draft Project Document for the UN Volunteers project for Somali Industrial Enterprises, July 1988.
- 6.10. Third Interim Report, August 1988.
- 6.11. Draft Job Descriptions for National Officers for the ICU Project -DP/SOM/86/034 Project, Additional Activities, August 1988.
- 6.12. Draft Job Descriptions for UN Volunteers Project for Somali Industrial Enterprises, August 1988.
- 6.13. Draft Job Descriptions for the Industrial Maintenance Management Project DP/SCM/88/008, August 1988.
- 6.14. Draft Terms of Reference for DP/SOM/86/034 Project - Additional Activities, September 1988.
- 6.15. Draft Terms of Reference for the Industrial Maintenance Management project, October 1988.
- 6.16. Draft Terms of Reference for the UN Volunteers Project for Somali Industrial Enterprises, December 1988.
- 6.17. Fourth Interim Report, December 1988.
- 6.18. Report on the Recruitment of National Officers for the ICU Project DP/SOM/86/034 - Additional Activities, January 1989.
- 6.19. Fifth Interim Report, April 1989.
- 6.20. Project Performance Evaluation Report II, April 1989.
- 6.21. Report on the Recruitment of National Officers for the Industrial Maintenance Management Project DP/SOM/88/008 April 1989.
- 6.22. Sixth Interim Report, August 1989.

- 6.23. First Interim Report, (I.M.M. Project), November 1989.
- 6.24. Seventh Interim Report, November 1989.
- 6.25. Amendments of P.P.E.R., November 1989.
- 6.26. Second Interim Report, (I.M.M.) February 1990.
- 2.27. Eight Interim Report, march 1990.
- 6.28. Terminal Report (draft), May 1990.
- 6.29. Draft Project Document for the follow-up Project: Improvement of Management Skills in Selected Enterprises, SOM/90/035.
- 6.30. Status Report on Project SOM/86/034, December 1990.
- 6.31. Terminal Report (final), February 1991.

Date: 15/05/1990

Total Number of Documents: 118

Class 1	:	20
Class 2	:	18
Class 3	:	34
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LIST OF EXPATRIATE EXPERTS

Name of Consultant	Field Work
Dr. Pavle Popovic, Project Manager (1)	Production Management General Consultancy Practice
Mr. Milenko Gudic, Project Coordinator	Coorporate Planning and Strategic Management
Mr. Branko Cernovsek (2)	General Management
Mr. Milivoje Cvetanovic (3)	Financial Management
Prof. Dr. Vidosav Trickovic	Marketing Management
Prof. Dr. Slobodan Krcevinac	Information Management
Mr. Dordje Lajsic	Feasibility Study Elaboration
Mr. Danko Djunic	Project Management
Dr. Petar Bjelica	Industrial Economics
Dr. Zoran Popov	Industrial Institutional Set-up
Dr. Mirko Cvetkovic	Energy Economics
Mr. Mirko Todorovic	Quantitative Techniques
Mrs. Jadranka Vale	Regional and Sectoral Studies
Dr. Ljubomir Madzar	Industrial Institutional Set-up
Mr. Milisav Nikoletic	Quality Control
Dr. Vladimir Poznanic	Industrial Project Evaluation