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**FINAL REPORT  
UNIDO CONTRACT NO. 90/366**

**Purpose of the Program**

This program was a joint effort of UNIDO and the University System of Georgia within the framework of the Industrial Decade of Development for Africa (IDDA). It was managed by the Office of International Development of the University of Georgia under contract between UNIDO and the University of Georgia Research Foundation and had four principle purposes:

1. the promotion and facilitation of investment partnerships between United States companies located in Georgia and the southeastern United States and African countries and entrepreneurs in Senegal, Ghana, Nigeria, Cameroon and Kenya;
2. the creation of permanent institutional linkages between the University of Georgia, other institutions of higher education in Georgia, and academic and governmental institutions in the five African partner nations;
3. the transfer of technology and technical assistance, training and knowledge to appropriate persons and institutions in the five African partner countries; and,
4. the formation in Georgia of the African Business Development Center to facilitate the development of investment relationships between partners in the Southeast and Africa.

**Accomplishments**

At the end of this project, frequently referred to as Phase II of the Industrial Partners Program for Africa (IPPA), it is possible to point to several accomplishments. It must be emphasized that because of the ambitious nature of this program and the political and economic problems encountered, the task is still unfinished. Substantial progress toward fulfillment of the four purposes of the program is to be noted.

**Investment and Industrial Development**

In fulfillment of UNIDO Contract No. 90/366 two representatives of the project participated in the UNIDO Regional Investment Promotion Forum for the PTA (Preferential Trade Area) countries held in Nairobi, Kenya, in June of 1990. At that forum interviews were held with more than 40 African promoters and entrepreneurs, primarily drawn from the five African partner nations. Attendance at the forum was a continuation of the efforts undertaken in Phase I (the initial contract) to bring African entrepreneurs to Atlanta for meetings with potential U.S. investors. At the Nairobi forum Dr. Schoenbaum, a faculty member of the University of Georgia School of Law and executive director of the Dean Rusk Center for International and Comparative Law, provided legal consultation to many of the African entrepreneurs with questions about how to approach US business relationships.

Phase II of the program was spent following up on contacts made at these two investment promotion fora. Most of the efforts have been concentrated on important industrial projects in Nigeria. Those projects are listed immediately below.

- Efforts are ongoing to facilitate the privatization and rehabilitation of the Neital Tannery and Shoe Factory in Maiduguri, Borno State, Nigeria. This work is being carried forward in accordance with a feasibility study completed by UNIDO in the Spring of 1990. The tannery has been a priority for UNIDO since its inception. To aid in this project, a Georgia-based tannery was identified and recruited to provide technical support and marketing. The American Tanning and Leather Company of Griffin, Georgia, is a family-owned tannery with similar joint ventures in Brazil and Indonesia. Its president, Mr. Chris Plott, and his technical assistant, Mr. Woldu Alemu, visited Neital Tannery and Shoe Company on August 20, 1991, at his expense. Mr. Plott is interested in developing a joint venture but needs a free hand in reorganizing and managing the operation. With cooperation from the Nigerian Federal Government and Borno State Government reactivation of this facility is expected to be achieved. However, the Borno State Government has, as of December 1, 1991, failed to come forward with a privatization proposal. The tannery is a \$3 million industrial asset with capacity to employ 500 persons.
- A second Nigerian project undertaken is that of establishing the Kentai Optical Lens Grinding Facility in Benin City, Bendel State. This will be a commercial wholesale facility to supply the Nigerian demand for quality eyeglasses. Arrangements are complete for the shipment and installation of equipment being provided by Consolidated Eye Care Centers of North Carolina. Kentai is awaiting final approval of a loan from the Nigerian Development Bank. Supply of materials will be managed by the African Trading Company (Gary Gunderson) utilizing a Small Business Administration Export Revolving Line of Credit program tentatively arranged through the Summit National Bank of Atlanta.
- a third initiative in Nigeria has been the establishment of Seydel Nigeria, a joint-venture of Seydel Industries of Atlanta, Georgia. The company markets textile chemicals and was established as a direct outgrowth of the IPPA program.
- The fourth project is ethanol production. In August 1991 Dr. Mostafa Hamdy, professor emeritus of Food Science and Technology at the University of Georgia, visited an ethanol plant in Oshogbo, Nigeria, and with bio-chemists at the University of Lagos who are interested in developing ethanol production for the commercial market in Nigeria. He demonstrated the process of hydrolyzing cassava starch into sugar which can then be fermented to produce ethanol. Cassava is a major crop in southwestern Nigeria. Establishment of an ethanol production facility at Oshogbo or in that general area could guarantee a steady market to the farmers for their cassava crop and provide a regular supply of ethanol to the commercial market in Nigeria. Most of the 8+ million liter demand is supplied by sources outside Nigeria. An industrialist has expressed a willingness to finance a turnkey operation and wishes a joint-venture partner to provide equity, technical assistance and management guidance.

ABDC and Dr. Jaiyesinmi are searching for potential joint venture partners.

- a fifth project is the Nguru Oil Mill located at Nguru in Yobe State. It crushes peanuts and cottonseed to produce products for the vegetable oil market. The British Groundnut Association has sold its 10% interest to Cargill, a US-based conglomerate. Contact with Cargill will be initiated to determine their intentions and plans for the Nguru operation.
- And a sixth effort involves the rehabilitation and reactivation of the Nigerian Food Company, also located in Nguru. Skeleton operations are being initiated.

Direct or indirect attention is needed to bring closure on the Naital Tannery project and the Kantai Optical Lens Grinding operation.

Feasibility studies are needed for the ethanol, vegetable oil and food processing companies.

#### Projects in other target countries:

- Cotton-based Medical Supplies - Advanced Medical Company of Marietta, Georgia, has been identified as a firm interested in establishing joint venture operations in Ghana and Senegal. A potential partner has been identified in Ghana. Discussions are currently being held with the Ghanaian firm.
- The Africa Trading Company has three additional operations underway. They are:
  - an equipment leasing project in Sierra Leone,
  - a forest harvesting project in Cameroon, and
  - a computer installation project in Ghana

#### Institutional Linkages

Cooperative agreements have been signed by the University of Georgia with:

- Ramat Polytechnical Institute of Maiduguri, Borno State, Nigeria
- University of Maiduguri, Maiduguri, Borno State, Nigeria
- University Center of Ngaoundere, Ngaoundere, Cameroon

Currently, steps are being taken to sign an agreement with the University of Lagos, Lagos, Nigeria.

### Training and Technical Assistance

During Phase II of the program there has been developed and submitted to UNIDO two important proposals for training and technical assistance. The first proposal would transfer computer science technology, train a cadre of computer science professionals and outfit a fully-equipped permanent computer training laboratory in Cameroon in cooperation with the Ministry of Higher Education, Computer Services and Scientific Research.

The second proposal has been developed to provide for a Short Course in Business Management Training for key personnel in Africa. The purpose of this proposal is to improve management skills and capabilities of key employees of small and medium-sized businesses in Africa as well as to train Africans in entrepreneurship.

A proposal for the establishment of a computer training program at Ramat Polytechnical was delivered to the Rector and the Governor of Borno State, Nigeria. The Governor was very supportive but his attention has been diverted by politics related to the establishment of nine new states in Nigeria.

### Formation of a coordinating office in Atlanta, Georgia

The African Business Development Center (ABDC) was incorporated on January 29, 1991. Mr. M. Kapepula, director of IDDA, was present in Atlanta for the organizing meeting of the Board of Directors of ABDC. Its purpose is to identify entrepreneurs in Georgia and the southeastern part of the United States as potential partners for entrepreneurs from the five African countries selected for the Industrial Partners Program For Africa, i.e., Senegal, Ghana, Nigeria, Cameroon and Kenya. Offices for ABDC were opened, on a half-time basis, October 14, 1991, and are functioning full-time as of December 1, 1991. Current location is Suite 1650, 230 Peachtree Street, NW, Atlanta, Georgia 30303. The telephone is (404) 658-6051. The office is managed by Mr. Jake Henderson.

Current officers and directors are:

Mr. Walter Huntley, president  
(President, Atlanta Economic Development Corporation)

Mr. Scott Seydel, vice president  
(President, Seydel International)

Dr. Edward Irons, treasurer  
(Dean, School of Business, Clark Atlanta University)

Dr. Darl E. Snyder, secretary  
(Associate Vice President for Services and Director of  
International Development, University of Georgia)

Dr. Arthur Dunning  
(Vice Chancellor, University System of Georgia)

Dr. Thomas Schoenbaum  
(School of Law and executive director, Rusk Center for International and  
Comparative Law, University of Georgia)

Dr. David Bruce  
(Regent's Center for Global Education)

Mr. Gary R. Gunderson  
(Africa Trading Company)

Dr. Hakeem Jaiyesinmi  
(Global Dynamics)

Mr. Frank Kuevi  
(Kuevi and Hudson)

### Observations

Phase II of the IPPA program between UNIDO and the University of Georgia has been plagued by the delay and/or cancellation of travel to some of the countries involved because of the Gulf War and political unrest within some of the target countries. The prime example is with Cameroon where travel has been canceled at least three times. Also, other basic difficulties were encountered such as the discovery that entrepreneurs identified in Kenya proved to be unworthy of further consideration.

These difficulties are described in a recent statement by Mr. Scott Seydel, President of Seydel Industries and Seydel International, also vice president of the board of the African Business Development Center.

....I believe I am representative of most small businessmen who are considering investments in African countries. We are not only faced with some formidable frustrations in trying to arrange government formalities, but we are often guilty of slow movement ourselves as we attend competitive investment potential in other continents where commercial opportunities may be greater or realization of the may be faster.

It continues to be our conviction that there is great potential in Africa. The realization and maturation of that potential will take patient, persistent attention as well as complete cooperation from all concerned.