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REPORT
ON SOME TECHNICAL CO-OPERATION ACTIVITIES
OF UNIDO IN ALGERIA AND TUNISIA

by

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In the course of a recent tour of inspection in North Africa I saw something in Algeria and Tunisia of the work of UNIDO in those countries on which I have certain observations to offer. The three main operations in question are:

- A. Aid to the Centre for Industrial and Technological Studies at Algiers (UNDP/^{UNIDO}~~UNCTAD~~ ALG 18)
 - B. Aid to the National Centre for Industrial Studies at Tunis (UNDP/UNIDO TUN 15)
 - C. Aid to the Tooling Centre at Sousse, Tunisia (UNDP/UNIDO TUN 27)
- A. Centre for Industrial and Technological Studies,
Algiers - CEIT (ALG 18)

2. This operation, launched in February 1969, has overcome long-drawn initial difficulties (which led to the visit of a joint UNDP/UNIDO/ILO mission in May 1970) and the main problem now facing it, apart from that of getting down at last to the real task of building and launching a truly independent Algerian Centre, is that of the proposed amalgamation with ILO operation ALG 7 which is working in support of the National Institute of Productivity and Industrial Development - INPED. The activities of UNIDO in Industrial Studies and of ILO in Management and Productivity obviously run on close and parallel lines, as I shall discuss further in paragraph 9 of this report. In the world-wide field of the United Nations this sub-division of work is probably justified, but it frequently seems less so in individual developing countries. In the particular example of Algeria, the Ministry of Industry and Power decided in March 1970 that, in the national framework, there was no need for two independent organizations in this field and instructed the Director of CEIT to place his staff and equipment at the disposal of INPED. From the date of this instruction, the two UN teams have worked to the same co-manager, although from different premises.

3. In the proposal for the Algerian country programme for UN co-operation during the remaining two years of the current national economic plan, 1972-3, UNDP aid to the industrial sector as a whole, to the amount of \$1.1 million, appears as being channelled through INPED. The Ministry of Industry's detailed proposals regard future UN co-operation as one new project growing out of the former ALG 7 and ALG 18. For the time being, they provide for two separate UN teams, each with its own team leader, but clearly express the hope and expectation that the two teams will in the near future (before mid-1972) be fused into one to match the Algerian organization to which they work. Such fusion would appear to be, in the circumstances, a move towards that economy consonant with efficiency which is one of the chief aims of the Joint Inspection Unit.

4. The prospect of amalgamation has caused much heart-burning among UN organizations and individuals concerned. One of the difficulties is that of location. CEIT works from adapted premises in Algiers, where the ALG 18 team considers that it exercises less influence than it might at Bou-Merdes, the INPED headquarters and the seat of ILO's operation ALG 7. The apparently simple solution of transfer of CEIT and its UNIDO team to Bou-Merdes is not practicable because of lack of accommodation; Bou-Merdes is not a centre of population with possibilities of expansion of office and living space, but a group of modern buildings, the enlargement and use of which is closely related to financial factors and to other claims. On the other hand, the team leader of ALG 7 feels that at Bou-Merdes he and some of his team are too isolated from Ministry headquarters in Algiers. There is therefore room for manoeuvre. One advantage of a merger of the two teams into one would be that the place of work of an individual or group would be determined by the convenience of carrying out the work in hand and not, as at present, by the fortuitous membership of one team or another. A second difficulty foreseen is that of deciding which of the present two executing agencies should "take the lead". It is to be hoped that this problem will not be seen to arise between two elements of the UN Development System. There are plenty of examples of inter-agency projects and we have the accepted doctrine of

the "major interest" to enable the UNDP to settle questions of leadership. Finally, the existence of two teams now tends to give rise to jurisdictional differences of opinion. I found, for example, that ALG 7 was becoming involved with enquiries from small and medium firms about manufacturing methods which appeared to me to fall more into the province of UNIDO than that of ILO. These problems can be expected to disappear under a merger, when tasks will fall naturally to the most appropriate members of a single team.

5. I therefore recommend that early thought be given to the steps which will have to be taken to merge the two teams in order to keep in step with the single Algerian organization which they serve.

Special Industrial Services (SIS)

6. Consideration of CEIT leads directly to that of SIS and, at one remove, to UNIDO co-operation with the Industrial Development Centre for Arab States (IDCAS). That these activities are unprogrammed in an aid world where programming is the order of the day is perhaps inevitably bound up with their nature; the sudden need for emergency advice to a factory or an industry cannot be foreseen. Apart from delays in providing such advice, due usually to slow recruitment (of which I give an example in paragraph 14 below), such activities are doubtless of great value, but the multiplication of suggestions for assistance in small doses is beginning to defeat its own ends. Government departments dealing with offers of external aid, both bilateral and multilateral, are more often than not understaffed in consideration of the amount of work with which they have to cope and, especially when the fashion of dealing with offers of aid in larger consignments over longer periods is spreading, written enquiries and travelling missions dealing with aid in penny packets are in danger of becoming counterproductive. I suggest that the usefulness of such aid could perhaps be preserved longer if, instead of continuing to use the direct approach to Governments which cannot be expected to take up more than a small proportion of all the offers of minor projects, seminars etc. made to them and which are beginning to resent the disproportionate demands they make on office time, organizations were to communicate their proposals informally through the Resident Representatives in the first place, to establish whether or not there is prima facie interest on which to build a more formal and substantial offer.

B. National Centre for Industrial Studies, Tunis -
CNEI (TUN 15)

7. The mandate of TUN 15 is to assist in the establishment and initial operation of the CNEI. I differ from the opinion expressed in a recent report which reads: "The Centre is now firmly established. With a full complement of experts etc. ...". In my view the Centre can not be properly described as firmly established until all members of the UN team have been able to leave. In the first requirement to this end - the provision of good counterparts at the highest level - the Tunisian Government may be said to have done too well: two Directors of the Centre have left for Ministerial posts since the UN project was declared operational in August 1968 and the Assistant Director, who had been with the Centre since its preparatory days in October 1967, left in March 1971 to become Director of the Maghreb Centre for Industrial Studies. This may be flattering, but it is not institution-forming.

8. I am not competent to judge the value of the series of reports that have been issued by the Centre under the guidance of the UN team, nor had I time to investigate what practical use was made of individual studies either to encourage investment in good projects or to bury bad ones. I assume however that the continued ministerial control exercised over the Centre's programme of studies is a guarantee of their usefulness. The impending discipline of the Indicative Planning Figure will provide a more positive measure of priority in the near future, when a decision will be required on the proposal, to the framing of which a UNIDO mission contributed in August 1971, for the extension of this operation for a further two or three years after its present terminal date in December 1972. Should prolongation be decided I think that it might be wise to reaffirm the autonomous status of the Centre for at least as long as a UN advisory team is working with it.

9. With the example of ALG 18 in mind (paragraphs 2 to 5 above) I cannot help wondering whether an acceptable way to save this operation from the possible squeeze of IPF might not be to amalgamate, similarly, with the National Productivity Institute at Tunis - INP - (UNDP/ILO TUN 14), subject, of course, to the agreement of the Tunisian Government. Both

operations again work to the same Ministry, as in Algeria, and a merger would certainly produce economy in overheads for UNDP and Government alike. The following juxtaposition of the main clauses referring to the aims of the two plans of operation reveals strikingly the parallelism between the work of the two existing teams:

INP

To contribute to the modernization of enterprises and bodies through practical demonstrations of scientific management methods and the dissemination of modern management techniques.

To contribute to the improvement of productivity by undertaking basic research projects at national, regional and sectoral levels.

To collaborate in studies relating to the establishment of new economic activities.

To follow the development of productivity in the different economic sectors.

To stimulate, encourage or cooperate in the establishment of institutions or specialized groups for the improvement of productivity by professional branch or sector.

The defenders of the existing delimitation agreements can and do demonstrate that the work of UNIDO is basically the study of industrial projects with a view to investment, while that of the ILO consists of training and case studies in existing enterprises. I nevertheless believe that in many countries, in a world of limited capacity for furnishing and absorbing technical assistance, collaboration in one operation may be a better arrangement than two.

CNEI

To provide technical and economic advice to existing industrial enterprises in the public or private sector.

To undertake detailed technical and economic studies of specific industrial projects, including those foreseen in the development plan.

To advise on the feasibility of establishing new industries as well as on their financing and implementation.

To advise on all matters concerning industrial development and evaluation of the progress of the current plan of industrialization.

To diffuse information and data collected by the Centre, as well as studies and foreign publications which may be of interest for the users of these services.

C. Tooling Centre, Sousse (TUN 27)

10. This project was a very slow developer, as the following time-table shows:

January 1969	Project approved by Governing Council of UNDP
September 1969	Project manager arrives under advance recruitment
January 1971	Plan of Operations signed
July-September 1971	Three members of UNIDO team arrive.

I visited the Centre and found the leader of the team in good fettle in spite of his long period in limbo, his counterpart - the Director of the Centre - enthusiastic in spite of his equivocal position of being still in the employment of the Sahel Machine Shops (AMS), one corner of which the Centre occupies, and the Centre itself in full operation on borrowed machine tools. I was favourably impressed.

11. Hopes were being expressed that the promised Statute would give the Centre autonomy and financial independence in 1972. While relations with the AMS are close and good and while the AMS will probably remain the Centre's chief customer for some time, the Centre is destined to become the source of production of special tools for the whole of Tunisian industry and achievement of autonomy will facilitate its development in this direction.

12. I discussed the ideas of the Manager and Co-Manager on the use of the provision for fellowships in the plan of operation and found these very definitely angled in the direction of practice rather than theory, which, for what is essentially a production unit and not a training centre, appears to me to be right.

13. A more dispiriting note was struck on the subject of the provision of machinery. Orders were placed between February and April 1971 for a range of machinery now valued at some \$150,000. There follows the customary round of catalogues, requests for clarification, calls for tenders, consideration and appraisal, currency doubts, bargaining, purchase, documentation, shipment, clearance etc. etc. Delivery is not expected before the end of 1972 and this delay seems to be accepted with

philosophic resignation as normal and inevitable. It seems a pity. Can nothing be done to expedite the procedure - not particularly for Sousse, but for all projects?

Delays in recruitment

14. I do not propose to belabour this well-flogged subject, which is one of the main areas of complaint which recipient Governments have against UN aid in general. I wish merely to keep the subject alive by quoting a striking, real-life example of the slowness in recruitment which affects not only the effective execution of technical assistance projects in regular and UNDP programmes, but also that of SIS activities in which prompt response to appeals for advice is often crucial. In my example:

Government requested a specific specialist in	February 1969
The request was transmitted in	March 1969
UNDP agreed in	November 1969
UNIDO submitted a candidate in	September 1970
Government accepted the candidate in	December 1970
Minor points of difference were settled in ..	February 1971
The specialist had not left his own country by	March 1971
He arrived to start his duties at the end of .	May 1971

Summary of Recommendations

1. Thought should be given to the merging of the UNIDO and ILO projects in Algeria and Tunisia on Industrial Studies and Productivity and Management respectively (paragraphs 2-5 and 9).
2. Proposals for minor, unprogrammed aid activities should be channelled informally through Resident Representatives in the first instance (paragraph 6).
3. Continuing efforts should be made to shorten delays in recruitment and the purchase and despatch of equipment (paragraphs 13 and 14).