

6200714 ⑦

PD-AAA-852 <sup>D!</sup>

PROJECT COMPLETION REPORT

Indigenous Industry Development

4p.

Project 620-15-910-714

This Project Completion Report constitutes the agreement required by the Project Agreement Standard Provisions Annex, paragraph "O", that the goals of the project have been met and the contributions of the parties to the project have been completed.

(Signed copies on file - USAID/Nigeria)

Michael O. Oyelohunnu

For the Federal Ministry of  
Industries

Edward J. Nadeau

For the Technical Division/USAID  
(PRM/CDE)

E. O. Martins

For the Federal Ministry of  
Economic Development and  
Reconstruction

Stephen G. Christmas

For the Director/USAID

Date February 26, 1973

PROJECT COMPLETION REPORT

Title and Number: Indigenous Industry Development - Project 620-15-910-714

U.S. Obligation Span: FY 1961-1971

Physical Implementation Span: FY 1961-1971

U.S. Funding through Completion (Obligation): \$2,279,000

Technical Service - Direct Hire	\$1,332,000
Contract	432,000
Participants	
Direct	49,000
Contract	
Commodities	369,000
Other Costs	
Total	<u>97,000</u>
	\$2,279,000

Special Note: This project originally consisted of establishing Industrial Development Centers in Zaria, Northern Nigeria and Owerri, Eastern Nigeria. The former goal was satisfactorily completed. The program at Owerri was discontinued in mid-1967 due to the outbreak of the war. While a USAID audit dated March 23, 1967 indicated that the Owerri project was proceeding well, the outbreak of war so disrupted activities at Owerri that that portion of the project could not continue. Establishing the Owerri operation has not been completed and, in fact, is the focus of efforts by the Federal Ministry of Industries and the Ford Foundation to reactivate the Center. Because it is not appropriate to write a Completion Report on an activity which was not in fact completed, this report will only cover the Zaria Center which was half of the original project and was completed. This report should be read in conjunction with the End of Project Evaluation Report by H. Howard Turner which summarizes in a more comprehensive manner the accomplishments of the Industrial Development Center at Zaria.

Principal Implementation Agencies: Northern Nigerian Ministry of Trade and Industry; Interim Common Services Agency; Federal Ministry of Industries.

Cooperating Institution: Industrial Development Center, Zaria (I.D.C.); International Labour Organization; Government of the United Kingdom.

Estimated Nigerian Government Financial Contribution: \$565,000

Description of Activities Planned and Engaged in:

1. The promotion of indigenous small industries was a project objective which the Zaria Industrial Development Center undertook in cooperation with the Small Industry Credit Scheme of the six Northern Nigerian States. The activities which I.D.C. undertook were the training of entrepreneurs in improved management and production techniques, industrial project evaluation, advisory assistance to the States on loan approvals and implementation of the approved loan projects. The latter involved site selection, building construction, equipment procurement, plant layout, entrepreneur and work force training in operations and/or management, raw material sources and procurement, quality control and improvement and marketing and sales assistance.

2. The second major project objective was to develop a Nigerian institution capable of accomplishing the development and promotion of indigenous industry. Zaria I.D.C. facilities created through this project include: five workshops, a conference building, office building and eight houses. In addition the AID grants provided furnishing the necessary equipment for woodworking, metalworking, leatherworking, agricultural implement production and vehicle repair. These facilities were located on an entirely adequate site provided by the Northern Nigerian Government. An important activity was the training of the Nigerian staff to a high level of competence which enabled them to successfully undertake the development and promotion of indigenous industry.

3. Lists of accomplishments:

a. Quantitative

1. Training of 14 counterparts.
2. Construction of planned facilities.
3. Exposure of approximately 2,375 Nigerian entrepreneurs to machine shop techniques.
4. Development of 43 prototypes or designs for industrial production.
5. Assisted in the establishment of 96 small industries.
6. Participated in the small industry credit program which involved £350,725 (\$982,030) in loans and a total investment of £550,419 (\$1,541,173) to June 30, 1971.
7. Of the above 96 industries, 64 were established under the States' SID program. These have projected annual sales of £885,140 (\$2,478,392) and profits of £194,894 (\$545,703).
8. I.D.C.'s Pre-investment Proposal Studies resulted in 130 loan recommendations totalling £387,706 and involving additional equity contribution of £234,608 for a total investment of £622,314 (\$1,742,479).

b Qualitative

1. Counterparts have been trained to a high order of competence.
2. The organization and capability at I.D.C. provides an institution which at the end of the project could adequately implement the Government's program for indigenous industry. It is recognized that the FMG is embarking on an ambitious expansion of indigenous industrialization which will require a significant expansion of all its IDCs. It is believed that IDC Zaria has the capability to plan and administer a significant expansion of its activities.
3. An accepted method of project evaluation has been developed and the staff trained in its application.
4. The ability to transfer knowledge and techniques to small industrialists was developed to a highly skilled level.

Drafted by: <sup>HC</sup> HHTurner/RJBerg:jko:5/15/72

Clearance: PRM/EVAL (draft) <sup>2</sup>

GON: (draft)

PRM: (draft) <sup>303</sup>