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79022

MICHAEL RADNOR & ASSOCIATES

797 Willow Road
Winnetka, Illinois 60093

Report on Mission to Kenya and Sierra Leone

for

AID/PRE

Michael Radnor
May 25, 1983

MICHAEL RADNOR & ASSOCIATES
797 Willow Road
Winnetka, Illinois 60093

May 25, 1983

Mr. Edgar Harrell
Agency for International
Development
Bureau for Private Enterprise
Washington, D.C. 20523

Contract OTR-0001-3143-00

Dear Ed:

I enclose my mission report as promised; one copy for you and one for Dave Levintow. I also enclose a copy of the course proposal I sent to the Kenya mission at their request (this is mentioned in the report). We look forward to seeing you on June 3rd.

Sincerely,



Michael Radnor

MR/ded

enclosures

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I. STUDY MISSION OBJECTIVES (as per contract OTR-0001-0-00-3143-00)

1. Building upon and complementing the July 1982 NAS Radnor/Chapman Kenya mission and report:

- o Recommend a management development strategy to facilitate private sector growth in Kenya
- o Assist the Kenya AID Mission with the management development components of its rural private enterprise program
- o Identify and promote opportunities for major U.S. corporations, particularly in the computer/electronics industry, to contribute to management development in Kenya.
- o Assess readiness and capacity of various Kenyan private sector firms and other institutions to collaborate in management development and related endeavors.

2. Consult and advise the U.S. AID office in Freetown, Sierra Leone on initial steps required to formulate a similar management development strategy for Sierra Leone.

II. ACTIVITIES

1. Schedule

	<u>Dates</u>	<u>Location</u>	<u>Purpose</u>
1.	4/ 4/83	Evanston and Schaumburg, IL	Arrangements: AID/PRE, Intel, VITA. Meetings with Motorola, American Hospital Supply
2.	4/ 5/83	Washington, D.C.	AID/PRE Briefing
3.	4/ 6/83	Paris, France	Meeting with IBM Europe (responsible for IBM in Africa)
4.	4/7-10/83	Jerusalem, Tel Aviv and Haifa, Israel	Meetings with Motorola and Intel Corporation Divisions responsible for Kenya operations
5.	4/11-22/83	Nairobi, Kenya	Work with AID Mission. Meet with Kenya organizations and individuals
6.	4/22-24/83	Abidjan, Ivory Coast and Robertsfield, Liberia	Transit en route to Sierra Leone. Meeting with Arthur Andersen and Company
7.	4/24-27/83	Freetown, Sierra Leone	Work with AID Mission. Meet with Sierra Leone organizations and individuals.
8.	4/28-29/83	Paris, France	Follow-up meetings with IBM (Europe)
9.	5/9-10/83	New York, N.Y.	Transit

10. 5/10-11/83 Washington, D.C. AID/PRE De-briefing, meetings with Arthur Lewis (Ambassador Designate to Sierra Leone) and with VITA
11. 5/14-16/83 Evanston, IL Draft Report Preparation. Meetings with Internacional Minerals and Chemicals Corp., American Hospital Supply, Bell and Howell.
and 4/18/83

Total Working Days on Mission

1.	On study mission trip as above	
	Working	21½
	Travel and Transit	5
		26½
2.	Report Preparation (to date)	2½
	Total (to date)	29

2. Organizations and People Contacted

A total of 95 different people (some several times) were interviewed from approximately 50 organizations in Kenya, Sierra Leone, Israel, France and the U.S., as follows:

A. Kenya

AID Mission

Allison Herrick, Director
 Barry Riley, Deputy Director
 Satish Shah Projects
 Gordon Bertolin
 Richard Green, Economics
 David Lundberg
 Robert Armstrong Agriculture
 Charles T. Hash
 Maria Mullet
 David Bensen, Housing, REDSO

U.S. Embassy

Duane Butcher, Economic Counsellor

Accounting/Consulting Firms

Coopers and Lybrand	-- Malcolm H. Pedlow, Managing Partner
	-- P.J. Ainscough
Deloitte, Haskins and Sells	-- T.S. Aikman, Partner
	-- Paul Shelton, Director
Githongo and Company	-- Joseph M. Githongo, Managing Director
Price Waterhouse Assoc. Ltd.	-- Stephen Bradley, Managing Director
	-- Colin Leigh, Partner

Banks

Barclays Bank; Mary Okelo, Manger
 Citibank, Blair Smith, Africa Officer
 Kenya Commercial Bank, Adam H. Ali, Senior Consultant

Companies

IBM World Trade Corp. -- Peter G. Mengel, General Manager
 Motorola (International
 Aeradio) -- Zalman Shachaff, General Manager
 -- Micha Pagorek, Technical Manager

Private Volunteer Organizations (PVO's)

International Executive Service Corp. (IESC) -- William Wood, Director
 Partnership for Productivity -- Andrew L. Peppetta, General Manager
 -- Charles F. Khaminwa
 -- John P. Grierson (in the U.S.)
 Kenya Women's Finance Trust Ltd. -- Mary Okelo (see Barclay's Bank)

Training Institutions

Devonshire College of Accounting -- M.S.. Rana, Principal
 -- M.P.S. Rana, Director of Studies
 Egerton College -- Professor R.S. Musangi, Principal
 -- Professor Charles D. Whyte (Virginia
 State U.)
 Kenya Institute of Management -- J.C. Hopkins, Chief Executive
 -- J.M.C. Dondo, Training Development
 Manager
 Kenya Polytechnic -- Peter Oloo Okaka, Principal

Health

Nairobi Hospital -- Dr. David Silverstein

Government of Kenya

Ministry of Regional Development,
 Science and Technology -- Honorable A.J. L Okuku M.P., Assistant
 Minister
 -- Madan C. Saini, Deputy Secretary
 -- Ammon Onyango, Science Secretary
 Kenya Industrial Research and
 Development Institute -- Dr. R.O. Arunga, Director
 Kenya External Trade
 Authority -- Peter Teya, Training Manager
 -- Frank H. Elsby, Exports Training Advisor

Canadian Government

CIDA -- Jan J. Loubser, Consultant

B. Sierra Leone

AID

William Lefes -- Director, plus 3 other staff personnel

Embassy

Lilliana Williams -- Ambassador

Accounting Firms

Arthur Young, Cassleton, Elliot & Co.	-- William C.M. Dastur, Managing Partner
Pannell, Kerr, Foster	-- J. Stewart Baird, Resident Partner
Sheriff Clinton & Co.	-- M.G. Foh, Administrative Manager

Banks

Standard Bank, Sierra Leone -- P.G. Wilcockson, Accounting General Manager

Companies

National Cash Register	-- Tom K.N. Andoh, General Manager
	-- Mohamed S. Jalloh, Account Manager
Kenya Steel Company (Parastal)	-- Managing Director
Sierra Leone External Telecommunications Ltd (Parastatal)	-- Subolokun L. Leopold, General Manager
	-- Ernest Johnson, Chief Engineer
	-- Michael F. Spencer, Chief Accountant and Secretary
Independent Food Technologist	-- Dr. Leight

Government of Sierra Leone

Ministry of Finance -- His Excellency Mr. Sheriff, Minister
-- J. Sanpha Korona

Training

Fourah Bay College, University of Sierra Leone

1. Economics and Accounting Department -- Professor Soule Funna, Acting Head
2. Chemistry Department -- Professor Wilshire Johnson, Chairman
3. Electrical and Electronics Engineering -- David L.B. Kamara, Acting Head
4. Faculty of Engineering -- B.B. Ibrhim, Dean

Institute of Public Administration and Management, University of Sierra Leone -- Professor S.N. Bondi, Acting Head

European Economic Community

-- Eeuwke Koopmans, Delegate

C. IsraelCompanies

Motorola Israel Ltd. (Tel Aviv) -- Hanan Achsaf, Deputy General Manager
 -- Aharon Sorek, Assistant General
 Manager and Manager of Electronics
 -- Sam Kerret, Area Sales Manager
 Intel Corporation (Jerusalem) -- Dov Frohman, General Manager
 Intel Corporation (Haifa) -- Rafi Nave, General Manager
 Degem Systems Ltd. -- I.H. Asher, President
 -- Reuben Sgan-Cohn, Director Marketing
 -- Ranni Z. Remez, Marketing

D. France, ParisCompanies

IBM (Europe - Africa/Middle East) -- Robert G. Toletti, General Manager
 -- Edward Haas, Communications Manager
 -- Luciano Lippi, Scientific &
 Education Programs Manager

E. Ivory Coast, AbidjanCompany

Arthur Andersen & Co. -- Francoise Charriere, Partner (France)

F. U.S.AID/PRE

Edgar Harrell
 Bud Munson
 David Levintow
 John Gelb
 Roger Moeller

USIA

Arthur Lewis -- Ambassador Designate, Sierra Leone

Companies

Motorola, Headquarters -- Noe Kenig, V.P. International
 International Minerals and Chemicals -- Anthony Cascino, Vice Chairman
 Bell and Howell -- Robert Huff, President
 -- Donald Frey, Chairman
 -- Richard Higgins, V.P.
 American Hospital Supply Company -- Allen H. Aardsma, Senior
 Management Consultant

PVO

VITA -- Henry Norman, Executive Director
 -- Gary Garriott

3. Specific ActionsKENYA

Recognition and thanks must be given to Bud Munson of AID/PRE who worked with me during a major part of the project in Kenya. He provided much useful input to the thinking and considerable assistance in relationships with the Mission as well as participating in many of the interviews. While I take responsibility for the ideas and activities described below, they benefited greatly from Bud Munson's assistance.

1. Rural Enterprise Program

- A. A work statement and operating process description for the Technical Assistance Organization was developed for the Mission's Rural Private Enterprise Program; a copy is appended to this report.

This work statement/process description was presented orally as an initial concept at a meeting with the Mission Director, Deputy Director and other Mission personnel, and in final written form to Messers. Shah and Bertolin. The verbal feedback was positive. They said the materials were extremely useful and they had just a few points of difference, which are listed at the back of the appended work statement, with comments.

- B. In addition, a number of comments and recommendations were made regarding the Rural Private Enterprise program. These were based on an analysis of the PID and on discussions of the situation in Kenya with members of the private sector (banks, consultants, others) and with AID Mission personnel. Again, these comments were given verbally to Mission personnel at several meetings.

The following notes summarize these comments:

- 1) The objectives and general strategy of the Rural Private Enterprises program are good and should be supported. There is need for this type of initiative, and it is possible to achieve significant impact.
- 2) Caution should be exercised by feeding in the loan funds at a measured rate and in a form consistent with the ability of the rural private sector to absorb the capital productively. This will require a flexible mixture of loans for capital investment and working capital with appropriate targeting by the banks involved in the program.
- 3) The ability of local assistance and training resources (in the consulting firms, banks, PVO's and training institutions) to deliver the needed services, even with a modest level of supplementary assistance, cannot be assumed. Substantial financial and organizational help will be needed to improve capability and effectiveness.

- 4) The selection of institutions and individuals to provide technical loan assistance and training to sub-borrowers should be left to the discretion of those responsible for managing the assistance component of the program. This is most likely to involve use of PVO's, but the extent should be determined by their judicious business analysis. The very high proportion implied in the PID seems out of line.
 - 5) The project must be viewed as a learning experience in two ways: as a potential model for other country AID missions, and, in terms of how the project is to be pursued in Kenya, i.e., with maximum flexibility and options. This will involve close monitoring, with program intensification and adaptation as the market for the funds and assistance becomes better delineated, as the banks build up their consultancy strength and as the general Kenyan assistance and training capacity gains in capability and structure.
 - 6) While operational decision making must be left in the hands of the banks and technical assistance coordinating organization (as planned in the PID), the Mission will have to accept a substantial level of involvement and monitoring. It was encouraging to note that this had become accepted in the Mission (going beyond the PID) and that there were plans to fill one or more private enterprise positions in the Mission.
 - 7) Despite the Mission position that the rural enterprise demand for credit is sufficiently well understood by the Mission and the banks, I reiterate the need to undertake detailed field analysis of investment needs and opportunities and of growth constraints. Such a study should be part of the initial or pre-project activities, paralleling the similar study of assistance requirements, and be the subject of on-going monitoring and evaluation. This recommendation is part of the work statement submitted to the Mission.
 - 8) Notwithstanding some critical aspects to these comments, my overall evaluation of the concept and design is positive and I strongly support a vigorous push to implementation.
- C. I recommended that the Mission consider using the recently reopened IESC office as the coordinating entity for the technical assistance component of the program. This would provide the following advantages:
- 1) Its director, William Wood, has extensive experience in Kenya and would have no work-permit problems. A former top executive of Bank of America in Kenya, he also has the requisite banking background. He is also well connected with all the major accounting/consulting firms in Kenya.
 - 2) IESC could call upon its volunteer network for some of the needed external assistance.
 - 3) As a PVO already supported by AID, the need for a competitively bid contracting process could be avoided.
 - 4) Mr. Wood would be extremely interested in having one or two MBA's work with him on projects.

- 5) IESC will need some assistance in broadening its efforts beyond that allowable under the architecture of the rural enterprise project. If they are to be initiatory and entrepreneurial in their work they will need to be able to access additional support and collaboration. PRE should play a role here.

Mission personnel found the recommendation extremely interesting, and were considering this option. In my view it is much preferable to giving a contract to one of the few relatively weak indigenous consultants, or (as the Mission had been considering) to a U.S. organization which would need to find appropriate personnel to set up a Kenya office. Further, working in this way with IESC could provide an important model for an expanded ISEC role in other countries.

In a related issue, Mr. Ali of Kenya Commercial Bank indicated a strong interest in having a U.S. MBA work with his consulting group as part of any effort to help upgrade his people (especially in marketing), something he felt to be greatly needed.

- D. An important position was clarified during the presentation to the Mission director Allison Herrick. She commented that while she wanted each Mission project (in this case the rural enterprise project) to be designed cleanly with respect to its management component (i.e., so as to be very specifically focused on the project's own needs), it would be desirable to have a parallel "enrichment" (her term) management development and assistance program in Kenya designed and funded by PRE. Such welcome support for PRE's plans in the management development area could, again, become a model for other countries.

2. IBM-Microcomputer Project

Arrangements were finalized in Kenya for an IBM-supported microcomputer training center. The program will involve an IBM contribution of approximately 20 personal computers, software, service and maintenance, training and a small financial contribution. Groups of users (from agriculture, health, business, banking, PVO's and other sectors) will be given applications training and follow-up support. Trainer organizations (e.g., colleges) will be given one or two computers to take back to their institutions for further training.

Agreements were made with IBM Kenya, the Kenya Polytechnic, Kenya Industrial Research and Development Institute (for maintenance and software development) and the U.S. embassy (see attached letters) to implement the program through the Polytechnic. Since the computers will be delivered to the embassy there will be no duties or taxes, and in turn, political benefit to the U.S. will be enhanced. The excitement regarding this program in Kenya was enormous.

A number of potential client trainee groups were already identified:

1. Egerton College plus other agricultural management groups.
2. The banks likely to participate in the AID rural enterprises program.
3. The Kenya Women's Finance Trust
4. Other PVO's
5. For-profit courses to be given in collaboration with Price Waterhouse.



EMBASSY OF THE
UNITED STATES OF AMERICA
P. O. Box 30137
Nairobi

April 19, 1983

Dr. Michael Radnor
Center for the Interdisciplinary Study
of Science and Technology
Northwestern University
Evanston, Illinois 60201

Dear Dr. Radnor:

I would like to commend you on your efforts to bring VITA, IBM and Kenya Polytechnic together to create a computer training facility. As I understand the program, IBM would contribute a number of micro-computers, plus software, training and maintenance. I certainly hope you will be able to gain approval for this project from IBM. Kenya greatly needs additional computer capability to maximize its scarce resources. The program you outlined to Duane Butcher also would portray U.S. private business in the best possible manner. I believe the program also would be in IBM's long run interest, for we must counter the presumption that computer technology creates unemployment. Please let me know if there is anything further we may do to assist in completing this project, and accept my thanks for your hard work on this project.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Harrop".

William C. Harrop
American Ambassador



10

EMBASSY OF THE
UNITED STATES OF AMERICA

P.O.Box 30137
Nairobi

April 15, 1983

Dr. Michael Radnor
Center for the Interdisciplinary Study
of Science and Technology
Northwestern University
Evanston, Illinois U.S.A. 60201

Dear Dr. Radnor:

This letter will confirm that the American Embassy will be delighted to participate with VITA, the Kenya Polytechnic, and the IBM Corporation in your effort to bring computer capability to Kenya. If you wish to present the computers to the Embassy we in turn will present them to the Polytechnic or to the ultimate end-users. The computers may be sent to the Embassy by way of the U.S. Dispatch Agency in the United States. We will be happy to provide details.

Sincerely,

Duane C. Butcher
Counselor for Economic Affairs



The Kenya Polytechnic P O Box 52428 Haile Selassie Avenue Nairobi Telephone Nairobi 338231

When replying please quote A/5/5/1/13

and date 13 April, 1983

Dr. Michael Radnor
Center for the Interdisciplinary Study
of Science and Technology
Northwestern University
Evanston, Illinois U.S.A. 60201

Dear Dr. Radnor,

I was delighted to hear from you today of the progress being made in the consumation of the project by your institute, VITA and the IBM Corporation to bring a computer capability to our country. We fully support the concept of using the personal computer as the hardware base of programs to train users in appropriate applications.

We wish to assure you of the complete willingness of our Polytechnic to play the necessary role of the Kenyan partner responsible for the administrative and support aspects of the program. Of course it will be necessary to have a formal agreement defining our role and all other pertinent conditions before we can give final approval but you can be assured of our strongest support in principle and of our great enthusiasm for the initiative.

Please keep us informed as to the progress of the finalisation of the negotiations and decisions with IBM and the Kenyan government. We do understand that there are still several key steps to be made before the project is approved. Should it be needed we can start working with you this summer.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P.O. Okaka'.

P.O. Okaka
Principal

c.c. P. Mengel, IBM
Kenya

Discussions are being held with Bell and Howell Corporation and others to provide audio-visual equipment and computer-based programmed instruction materials to complement the training center capability. IBM-Europe has indicated a willingness to train an MBA in their organization prior to such a graduate going to Kenya as a possible part of the program.

3. Agricultural Management Program

Discussions were held with David Lundberg and other members of the agriculture group at the AID mission; with Professor R.S. Musangi, principal of Egerton College (accompanied by Professor Charles D. Whyte of Virginia State University, a current visitor at Egerton); with Joseph Githongo and, since returning, with Tony Cascino, vice chairman of International Minerals & Chemicals.

A major agricultural management program to be based at Egerton College is under development in the Mission. The discussions with the Mission and Egerton people regarding assistance in developing this program were positive. Egerton College is anxious to be included in the IBM microcomputer program. There is an opportunity for PRE to support program development and provide program enrichment. Joseph Githongo has indicated his willingness to help organize a training program (at the national or regional levels) in agricultural management, to be held in the U.S. He would also be interested in the services of an MBA. Tony Cascino is willing to help organize such a program. One objective will be to bring the U.S. agriculture industry to the project, especially through contributions of people and equipment by U.S. enterprises. In summary, there is an important opportunity to develop an agriculture management program for Kenya, a clear top priority area.

If this PRE effort could become an East African regional program, it might, once again, be a model for PRE private enterprise initiatives in other regions.

4. P.V.O.'s (Kenya Women's Finance Trust/Partnership for Productivity)

Discussions were held with Mrs. Mary Okelo of Barclays Bank, as a follow-up to those held last summer with KWFT. It is my conclusion that the strong support for the assistance aspect (but not the financing aspect) of this woman's essentially rural-area based initiative as expressed in the Radnor/Chapman 1982 NAS report must be reaffirmed, and that support must be given soon. This is an influential group of professional women: Mrs. Okelo is an important bank executive, and Mrs. Nyamodi, a lawyer, has just been appointed by the AID Mission to their PVO evaluation committee. Their focus on small enterprises run by women mostly in rural areas nicely complements the Mission's priorities. A PRE program in Kenya that excluded them would be a major political mistake. At the same time, there is promise of an early and visibly successful outcome resulting from assistance to them. Mrs. Okelo has committed herself to taking up to several months of leave from her Bank to work on the program to ensure its success. She indicated a great interest in having an MBA work with her if in an appropriate program.

Discussions were also held with PFP and we have also studied their recently developed training manual. There seems to be a clear role for such PVO's to assist small, especially rural enterprises. But, to judge from this example (which I gather to be typical, not the strongest), while one must be impressed with the commitment and achievements, it is clear that many of them will need help (especially in marketing and operations) and care should be exercised not to over extend capacities. Mr. Reppetta of PFP would be very interested in having an MBA work with them.

5. The Accounting/Banking Schools

The accounting association school continues to pursue plans for a school, and depending on who is asked, it will be legally chartered either this summer or next year. AID's support (financial, substantive and political) would be a big help in launching the venture. The banking school continues to function but badly needs help. Its director, Mr. Pouncett, has contacted me to inquire what has happened to our program -- they need the help. My discussions in Kenya have reconfirmed my view that we could obtain cooperation between these two schools if we move quickly. We must.

6. Health Projects

Discussions were held with Dr. David Silverstein of Nairobi Hospital (the major private hospital in Kenya) and with Joseph Githongo concerning possible health-related projects in cooperation with American Hospital Supply Corporation, which had indicated an interest in a possible joint venture in Kenya in discussions preceding my trip.

Mr. Githongo is exploring potential partners for a health consulting venture. A more immediate project possibility emerged from the discussion with Dr. Silverstein. A group of doctors is willing to invest in acquiring several major pieces of used medical equipment (especially a CAT-scanner). Having this equipment would eliminate the one remaining justification for sending patients to London for medical care, and would attract patients from surrounding countries, thus both saving and earning foreign currency. The administrator of the Nairobi hospital willing to provide the physical facility.

The doctors' group is interested in having a U.S. firm find and test the needed equipment and then provide them with a supplies and service contract. With additional grant assistance, use of the facilities could be subsidized (in appropriate cases) so as to be available to patients from the public sector hospitals (e.g., Kenyatta Hospital). The Silverstein group is preparing a formal proposal. The American Hospital Supply consulting division (one possible U.S. partner) is intrigued with the prospect and is giving it preliminary consideration. This could result in an investment project for PRE. I am also making contact with such firms as General Electric and Picker International who produce CAT-scanners, with some used medical-equipment sales firms, and with the V.A.-Hines marketing organization in Chicago which handles used equipment from V.A. hospitals. This Kenya project could produce an interesting model approach for a number of developing countries.

7. Electronics Projects

Contact was made with the local Motorola management and an introduction arranged between them and Kenya's National Council for Science and Technology and their Kenya Industrial Research and Development Institute (KIRDI). The Motorola personnel (the company is a subsidiary of Motorola Israel) indicated a willingness to assist the Kenyans in building an electronics capability. This is especially vital now given a recent decision to convert the Kenya telephone system to electronics technology under a \$50 million World Bank loan. Motorola will assist in training, using its substantial local engineering capability, and will also send people to Israel or the U.S. for training. (See also the comments below regarding discussions with the Motorola-Israel parent company.) Time did not permit me to follow up, but tentative discussions were also begun on a possible Motorola assembly operation in Kenya.

Several Kenyan organizations were interested in the possibility of a top Intel Corporation's technical expert conducting a training program, and have pledged some financial support to make this possible. One outcome of using such Intel people on their sabbatical leaves is the further possibility of acquiring some obsolete test and development equipment from the firm. I am now trying to make arrangements for William Maxey, Director of Software Development at Intel, and/or James Oliphant (formerly Intel National Field Microprocessor Applications Manager who has just moved to another Silicon Valley firm, Seeq) to go to Kenya soon. If Mr. Oliphant makes the trip, he will travel at his company's expense.

In addition, on the way to and from Kenya, I phoned the UNIDO office responsible for electronics activities (I am a consultant to UNIDO in this area). They also expect to support the build-up of the electronics capability at KIRDI and are sending a representative there shortly to fine-tune (and reduce the size of) a KIRDI proposal. Thus we have the potential to establish the U.S. in this nascent field in Kenya. We should seek ways to stay involved in this project in a significant manner. Perhaps this could be an appropriate project area for AID's Science and Technology Bureau.

8. An Exports Training Course

A small budget is available to Satish Shah of AID to support a training course. Visits were made to the Kenya Institute of Management (accompanied by Mr. Shah) and to the Kenya External Trade Authority (KETA). A general plan was developed to hold an exporting promotion and management course for small-to-medium sized firms this summer. Frank Elsby, an English marketing and exports training expert recently transferred from a similar assignment in Bangladesh, will collaborate, and a joint plan was sketched out.

9. Coordination with Other Donors

This was one aspect of the project on which little could be done. I was told that this coordination was already well in hand and my involvement would only prove confusing to the other donors. A copy of a report from the British Council by Dr. G.W. Glenworth on management training in Kenya was given to me and is appended to this report. Its proposals are focused on the public sector and are very British in orientation. It is my estimate, however, that we could look forward to a productive collaboration with the British in the management development area.

In contrast to the lack of direct contact with the British, a useful contact was made with a CIDA consultant, Jan Loubser. The important outcome here was to learn of the Continuing Canadian government interest in Kenya Technical Trainers College (KTTC). We investigated KTTC in some depth last summer (see Radnor/Chapman, 1982). The excellent facility could be a base for a much needed private sector artisan training effort. There may be prospects for AID-CIDA cooperation here, and this opportunity should be pursued vigorously.

10. Housing Management:

A preliminary discussion was held with David Bensen of the REDSO housing office. This group is considering a possible management training program and would welcome PRE input. Close contact should be maintained because this emerging effort is another potential piece in a PRE regional strategy.

SIERRA LEONE

The objectives of the three day visit, made at the request of the AID Mission director William Lefes, were to identify a potential private enterprise program and to develop a preliminary design. That this was accomplished to a much greater degree than could have been anticipated is importantly due to the enormous assistance and cooperation I received from Mr. Lefes and his Mission personnel, and because of the openness and readiness of the Sierra Leonean business, government and academic communities to this type of initiative. It is my assessment that a private enterprise management development program in Sierra Leone would have an unusually high probability of success. The need is great but so is the opportunity.

The attached copy of the cable from the AID Mission adequately reports on the activities and results of the work done there. The following notes are given therefore as supplementary summary only.

1. Accounting and Banking Schools

The Accounting Association has been attempting to launch a school to alleviate the critical shortage of trained financial managers. There is also a desire to get away from the very conservative British accounting traditions. The school would be supported by the three major accounting firms, including an Arthur Young affiliate. The concept was launched by Minister of Finance Sheriff when he still headed one of these firms, and in our meeting, he agreed to push a bill through the next session of Parliament to charter the school. He also will ensure all local currency needs for a management development effort (including this school and other projects) by writing the funding into the next national budget. He has a high reputation in the country and his enthusiastic support is a major asset. His response to my mission in the country and the ideas being considered were very positive.

There was only time to meet with one bank, but apparently this industry also suffers from a critical need for more training, and we were told the banks would be delighted to collaborate to the degree possible with an accounting school program. Discussions with both sides indicate that collaboration could also be expected between such a school(s) and financial and accounting training programs and faculty at the university (see below).

AID support to get the school(s) launched, in collaboration with each other, to develop curricula and materials, to help with instructors, etc., could pay important dividends.

2. General Management Training

Discussions were held at both the economics and accounting department of Fourah Bay College and the Institute of Public Administration and Management (IPAM) of the University of Sierra Leone.

The management program at Fourah Bay needs to be strengthened and linked to the business community. I recommended the creation of a business or industry advisory council to strengthen support and develop more contacts and relationships (consulting, projects, use of practitioners for courses, internships, etc.). This idea was positively received.

ACTION
COPY

Department of State

INCOMING
TELEGRAM

PAGE 01 FREETO 01722 01 OF 02 020931Z 83 01 030200 AID 477
ACTION AID-00

FREETO 01722 01 OF 02 020931Z 83 01 030200 AID 477

ACTION OFFICE PRE-21
INFO AFOW-03 AFOP-05 AFOR-06 CC-01 GCAF-01 CCFL-01 FII-05
CHGT-02 CTR-02 AGRI-01 RELO-01 MAST-01 /032 42 202

INFO CCT-03 INR-10 AF-00 EB-00 /053 V
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R 020701Z MAY 83
FM AMEMBASSY FREETOWN
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INFO AMEMBASSY ABIDJAN
USIA WASHDC 854

UNCLAS SECTION 1 OF 2 FREETOWN 1722

AIDAC

DEPT FOR AF/2

USIA FOR AF-SCARLETT

EO 12356: IIA

SUBJ: PRE CONSULTANT RANHOR VISIT TO SIERRA LEONE

1. MISSION WISHED TO EXPRESS GRATITUDE TO PRE FOR THE TIMELY SERVICE OF DR. MICHAEL RANHOR TO SIERRA LEONE. THE THREE DAY CONSULTANCY WAS HIGHLY SUCCESSFUL. WE FOUND AN ENTHUSIASTIC RESPONSE AMONG SIERRA LEONEANS AND EXPATRIATES, AND A WILLINGNESS TO PARTICIPATE IN AND TO COMMIT THEIR OWN RESOURCES FOR RESOLVING THE CRITICAL SHORTAGE IN FINANCIAL MANAGEMENT CAPACITY IN THE COUNTRY. DURING THE THREE DAYS RANHOR AND AAO VISITED THREE ACCOUNTING FIRMS, A LEADING COMMERCIAL BANKER; SENIOR STAFF AND DIRECTOR OF A MAJOR SUCCESSFUL PARASTATAL; MANAGING DIRECTOR OF THE SEABOARD MILLING CORP; THE SINGLE VIABLE COMPUTER COMPANY IN FREETOWN, NCR OF DAYTON, OHIO; ECONOMICS, ACCOUNTING, ELECTRICAL ENGINEERING AND CHEMISTRY DEPARTMENTS AT FOURAN BAY COLLEGE; INSTITUTE OF PUBLIC ADMINISTRATION AND MANAGEMENT; ETC COUNTRY DIRECTOR; COMPUTER USERS ASSOCIATION OFFICERS; DR. LEIGHT, SIERRA LEONEAN FOOD TECHNOLOGIST AT NJALA AGRICULTURE COLLEGE (PRIVATE SECTOR FOOD PROCESSING EXPERT WHO RECENTLY RETURNED FROM U.S. AFTER A NUMBER OF YEARS OF PRIVATE DOCTOR EXPERIENCE); THE MINISTER OF FINANCE AND THE AMBASSADOR.

2. THREE POTENTIAL PRIMARY PROGRAMS HAVE MERGED AS A RESULT OF THE VISIT. NONE ARE PARTICULARLY LARGE, BUT ALL THREE INTERRELATE SO THAT THE CUMULATIVE EFFECT CAN HAVE A SIGNIFICANT POSITIVE IMPACT. THERE IS ALSO A FOURTH PROJECT THAT WE SHALL MENTION BELOW WHICH STANDS ALONE AS A PRIVATE SECTOR PROFIT MAKING VENTURE WITH AN INNOVATIVE FEATURE. A BRIEF DESCRIPTION OF THE PROGRAMS FOLLOWS:

(1) ACCOUNTING TRAINING INSTITUTE - THERE IS A SIGNIFICANT DEMAND FOR IMPROVED FINANCIAL MANAGEMENT SKILLS AT ALL LEVELS IN EVERY ASPECT OF ECONOMIC ACTIVITY IN SIERRA LEONE. THE ACCOUNTANTS ASSOCIATION FOR SEVERAL YEARS NOW HAS BEEN PLANNING THE LAUNCHING OF AN ACCOUNTANCY TRAINING INSTITUTE IN SIERRA LEONE. THE MINISTER OF FINANCE, SIERRA LEONE'S FIRST CHARTERED PUBLIC ACCOUNTANT AND HIS SENIOR PARTNER FOR THE ONLY SIGNIFICANT INDIGENOUS ACCOUNTING FIRM, IS PRESIDENT OF THE ASSOCIATION AND PRIOR TO ASSUMING HIS PRESENT POST WAS A LEADING PROPONENT OF THE INSTITUTE. BASICALLY, WHAT IS NEEDED IS SOME ONE TO HELP GET THE INSTITUTE ORGANIZED AND OPERATING, ASSISTING IN CURRICULUM DEVELOPMENT, HELPING OBTAIN TEACHING MATERIALS AND PROVIDING SHORT-TERM STAFF ASSISTANCE FOR SHORT COURSES. THE INSTITUTE WOULD ALSO NEED A LINKAGE RELATIONSHIP WITH AN

THESE CAN BE... THE MINISTER OF FINANCE... ACCOUNTING... THE INSTITUTE... THROUGH... LIKE INSTITUTE... BE FOUND... SEEM... LOGGED... THE UNIVERSITY... AND MANAGEMENT (IP.M).

~~Handwritten signatures and scribbles~~

AAP/RE

1983 MAY -3 AM 11:07

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THE UTILIZATION OF BUILT TRANSPORTATION AND HANDPOW LUGG
TO INNOVATIVE AND RESOURCE UNICEF WHO IS CURRENTLY
PREPARING A DETAILED PROJECT PROPOSAL FOR REVIEW BY THE MISSION.

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(2) MANAGEMENT TRAINING - FOURAH BAY COLLEGE HAS DISTINCT ASPIRATIONS TO BUILD A MANAGEMENT TRAINING CAPABILITY IN ASSOCIATION WITH ITS IPAM. HOWEVER, ITS PRESENT CAPABILITY IS LIMITED AND ITS RELATIONSHIP WITH THE INDUSTRIAL AND COMMERCIAL SECTOR IS VIRTUALLY NON-EXISTENT. SPECIFIC HELP IS FOCUSED TO STRENGTHEN STAFF, FACULTY, MATERIALS AND A CURRICULUM THAT FOCUSES ON SETTING UP EFFICIENT EXECUTIVE PROGRAMS, INQUIRY PROJECTS, INVITED AND INCREASED NUMBER OF BUSINESS RELATED PROJECTS AND A FORMAL MECHANISM FOR INCREASING COLLEGE-BUSINESS RELATIONSHIP. A PROPOSAL FOR SETTING UP A BUSINESS ADVISORY COUNCIL HAS ELOKED CONSIDERABLE INTEREST BOTH AT THE UNIVERSITY AND WITH THE MINISTER OF FINANCE. A LONGER TERM PROGRAM WOULD INVOLVE A PART-TIME IBA PROGRAM, FEASIBLY THROUGH IPAM. THE MINISTER OF FINANCE RECOMMENDED STRENGTHENING MANAGEMENT TRAINING THROUGH EXTENSION INTO THE RURAL AREAS AS WELL AS FREETOWN.

(3) MICRO COMPUTER SERVICES FOR MANAGEMENT - THERE IS A SUBSTANTIAL PENT UP DEMAND FOR MICRO COMPUTER SERVICES IN VIRTUALLY EVERY SECTOR OF THE ECONOMY INCLUDING INDUSTRY AND COMMERCE AS WELL AS IN MANAGEMENT TRAINING INSTITUTIONS IN SIERRA L. THERE IS A GREAT DEAL OF SELF-GENERATED INTEREST IN APPROPRIATE COMPUTER APPLICATION. ONE INDICATION OF THIS IS THE APPEARANCE OF A COMPUTER USERS' GROUP, ANOTHER IS THE EXTENT OF LOCAL EFFORT TO ACQUIRE MICRO COMPUTERS BY WHATEVER MEANS. IN A NUMBER OF CASES THESE COMPUTERS ARE PLAYING VITAL ROLES. A SPECIFIC PROPOSAL HAS BEEN MADE TO SET UP A COMPUTER SERVICE AND TRAINING BUREAU WITH INVESTMENT PARTICIPATION BY THE ACCOUNTING FIRMS, BANKS, OTHER INTERESTED PARTIES, AND BY HCB, THE ONLY RELATIVELY FULL SERVICE AND VIABLE COMPUTER COMPANY IN THE COUNTRY. SOME ASSISTANCE IS NEEDED TO HELP AND LAUNCH THE VENTURE.

(4) A FOURTH INITIATIVE WHICH IS NOT RELATED TO THE OTHER THREE PROGRAMS IS REGARD TO AN INNOVATIVE APPROACH TO CHARCOAL PRODUCTION AND DISTRIBUTION IN FREETOWN, SIERRA LEONENAH WNT CURRENTLY RUNS A SUCCESSFUL BUT ODEST FISH SMOKING AND WHOLESALING OPERATION, AND IS CURRENTLY THE CHAIRMAN OF THE CHEMISTRY DEPARTMENT AT FOURAH BAY COLLEGE, HAS EXPERIMENTED IN HIS BACKYARD WITH A ERICK KILN AND MANGROVE. HE IS A HANDS-ON ENTREPRENEUR WITH PEEN MANAGEMENT SKILLS. HE IS NOW READY TO MOVE TO A PILOT OPERATION UTILIZING A SMALL OUTBOARD MOTOR BOAT TO TRANSPORT THE RAW MATERIALS FROM EXTENSIVE BUT UNUTILIZED MANGROVE SWAMPS TO A KILN ON A LAND SITE. HE WOULD SUBSEQUENTLY TRANSPORT CHARCOAL TO FREETOWN CITY CENTER BY BOAT AS WELL. WE BELIEVE THAT

1. WE BELIEVE THAT THE FIRST THREE PROGRAMS OUTLINED ABOVE HAVE AN EXCELLENT CHANCE OF MOVING INTO IMPLEMENTATION RELATIVELY QUICKLY. THEY WILL REQUIRE ANALYTIC AND INITIATORY SUPPORT TO LAUNCH THEM. WE ESTIMATE THAT AROUND 100,000,000 FROM PRE-IM. FOMERAL EXCHANGE COSTS, NOWLY FOR CONSULTANTS, SHOULD SUFFICE. THE MINISTRY OF FINANCE HAS COMMITTED ITSELF TO PROVIDING THERLOCAL COSTS. IT IS WILLING, FOR EXAMPLE, TO INSERT INTO ITS DEVELOPMENT BUDGET A LINE ITEM TO SUPPORT THESE ACTIVITIES, HOWEVER, IT NEEDS TO HAVE A SIGNAL OF INTEREST FROM AID WITHIN THE NEXT 30 DAYS ON THE POSSIBILITIES FOR FUNDING THESE PROGRAMS IN FY 84 BASED, OF COURSE, ON POSITIVE FEASIBILITY STUDIES. HADJIOR IS PREPARED TO PROVIDE DETAILED INFORMATION IN AID/W.

2. THESE INITIATIVES WOULD CONSTITUTE THE MISSION'S MAJOR PRIVATE SECTOR PROGRAM OVER THE NEXT 4 OR 5 YEARS. THE AID AND AIRPASS-DOO FEEL STRONGLY THAT THE ENVIRONMENT IN SIERRA LEONE IS READY FOR ACTIVITIES LIKE THE ONES OUTLINED ABOVE AND THE ECONOMY CAN BENEFIT FROM SUCH PROGRAMS.

3. PLEASE ADVISE.
REPLY

AAARRR
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IPAM has a good facility which is being further improved and the beginnings of a decent short-term seminars program. Again they need help, especially in marketing. Both locations are totally without computing capacity, although NCR is planning to assist IPAM build a small capability (see below). IPAM hopes to build a part-time MBA program, and should be encouraged to pursue this goal.

Unlike the situation I found at the University of Nairobi, the University of Sierra Leone could (and should) become a major factor in management training now. It needs help and is in a position to benefit from it. Equipment, programs, materials and faculty will be needed. Both campuses expressed great interest in getting one or two MBA's to work with them, as well as more advanced faculty assistance.

3. Computer Capability

There is very little operable computing capacity in the country; what is there consists of a very mixed bag of types, much of it non-functional for lack of spares and service and funds to pay for repairs. However, the interest level is great and some user skills exist. While there, we were sought out by a Computer Users group which had heard that I was inquiring about computer capability (see attached follow-up letter from the group's leader). Each of the accounting firms, the bank visited and the telephone parastatal indicated a willingness to participate in a program to make more computing capacity available. AID participation could include investment as well as purchase of time and, assistance from a service center. Also, university groups visited, whose lack of computer capacity is pitiful, seek help. The electronics engineering department was trying to do research well beyond the capacity of its one very small computer. This group would like to become involved in the technical side of any computer program in the country. They have a specific need for microprocessor development equipment and test equipment, which might be met through donation of obsolete machines by U.S. firms such as Intel or NCR.

There is one computer company doing business in Sierra Leone with its own service operation, NCR of Dayton, Ohio. It is about to expand from traditional cash registers and accounting machines to introduce a new microcomputer to Sierra Leone. Discussions with the manager, Tom K.N. Andoh, regarding a possible NCR contribution along lines of IBM in Kenya were enthusiastic (he had already promised to contribute a computer to IPAM). The most feasible strategy seems to be to establish a commercial microcomputer training/service bureau (see the letter from Andoh of NCR, and note the support for this concept previously mentioned). I plan to be in touch with NCR in the U.S. on this shortly.

4. Electronics

Related to the above point, I discussed the possibility of one of the Intel engineers (most specifically William Maxey, firm's head of software development) spending a few days at the Fourah Bay College electronics engineering department, for both training purposes and (hidden agenda) to see what "obsoleted" equipment could be contributed by Intel as part of a relationship building effort. A cable has been received from the AID Mission (I believe in response to a request to the USIS there) indicating willingness to provide some resources to bring Maxey to Fourah Bay. I am trying to implement this now but may be defeated by communications and logistics problems (Maxey is already in Europe).

MANUFACTURER'S REP. AGENT, CONTRACTORS
ENGINEERING AND TECHNICAL SERVICES

BUSINESS & TECHNICAL SERVICES (S.L.) LIMITED

Tel. 51335

Telex:

Cable: BUTECH-FREETOWN

YOUR REF.

OUR REF. DMK/EK02

126 Kisey Road
Private Mail Bag 683
Freetown,
Sierra Leone.

2nd May, 1983.

Dr. Michael Radnor
Director, Centre for the Interdisciplinary
Study of Science and Technology
Northwestern University
626 Library Place
Evanston, Illinois 60201
USA.

Dear Sir,

Thank you very much for your interest on "the possibilities of introducing computers into our society", during our meeting with Mr. William S. Lefes at the American Embassy in Freetown.

Kindly send us a brochure of your university courses in Management and, Science and Technology for our evaluation, and please find enclosed, the draft copy of our company profile/activity for your kind consideration.

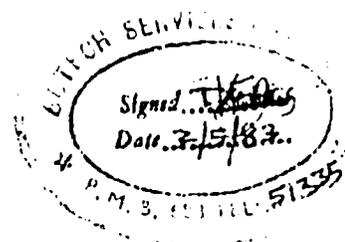
We are very much concerned about providing a Computer Bureau for Engineering/Research and Word Processing services locally, but in view of the cost involved it would be necessary for us to have some external Technical/Financial Assistance if our ambitions are to be realistic.

Should there be any way we can be of help to you in your endeavours please do not hesitate to contact me directly, as I am Pioneer and Founder Member of the "Computer User's Group", C.U.G.

I look forward to hearing from you in the near future, when I will only be too pleased to put the full services of our group and company at your disposal. Kindest Regards.

Yours sincerely
For: BUTECH SERVICES

~~Dennis F.R. King~~
Dennis F.R. King
Managing Director.



Enc.



NCR Limited

26, Walpole Street
P.O. Box 473
Freetown, Sierra Leone
Tel. 22403, 24106
Cables: Nacareco Freetown
Telex : 3241 NCR S.L.

TKA/GB/83

27th April 1983

Prof. Michael Radnor, Ph.D
C/O Mr. William S. Lefes
A.I.D. Affairs Officer
U.S. Embassy
FREETOWN.

Dear Sir,

I refer to discussions held during your recent visit to Freetown regarding the possibility of setting up a Computer Bureau Service in Freetown and confirm that NCR may be interested in such a project. As mentioned during our discussions we have already started exploring this possibility.

I therefore look forward to hearing from you further on this subject.

Yours very truly;

A handwritten signature in dark ink, appearing to read 'F.K. Andoh', written over a diagonal line that crosses the signature.

F.K. ANDOH
GENERAL MANAGER.

5. Coordination with Other Donors

A visit was paid to the European Economic Commission (EEC) office in Freetown, to meet with Mr. Eeuwke Koopmans. This was a most significant meeting. EEC has made a substantial commitment to training in Sierra Leone (3.8 million ECU's) and Mr. Koopmans indicated that; (a) management training could and should be a major part of this, and (b) EEC would be very positive about cooperating with AID on any such programs. A copy of the EEC 31/12/82 report is appended.

6. A Charcoal Commercial Venture

I investigated a potential venture that had come to the attention of the Mission involving the production of charcoal from a mangrove area not far from Freetown. Water transportation to kilns and then to Freetown would minimize transportation costs. A renewable energy source that does not require use of potential food-growing land, this well-located mangrove biomass seems to provide a good resource base since large quantities of wood are used in Freetown. Pricing and distribution will be key issues. The entrepreneur, Dr. Johnson, is chairman of Fourah Bay's chemistry department and owner of a reportedly successful fish drying business. He has already made small quantities of charcoal from a simple kiln he developed.

Since I have just worked on a woodfuels project with the World Bank, the positive features of this project were quickly apparent to by me. Dr. Johnson is preparing a proposal for possible AID support to help launch his venture.

7. U.S. Embassy Discussions

Discussions were held with both the current U.S. ambassador, Mrs. L. Williams, and with the ambassador-designate, Mr. A. Lewis (with D. Levintow), following my return (at the request of Mrs. Williams and Mr. Lefes). In both cases the potential management programs in Sierra Leone were strongly supported, and it was indicated that every effort would be made to find the needed funding (estimated by the Mission at \$250,000 -- see the previously included cable), and to help implement a program.

ISRAEL

Visits were made to two U.S.-based and one indigenous Israeli company.

1. Intel/Motorola Kenya Collaboration

Africa comes under the Israeli subsidiaries of these two firms. The top managers of both agreed to assist in building electronics capacity in Kenya, and as noted above this assistance may also have some relevance in Sierra Leone. In the case of Motorola, the visit to the Israel company was also instrumental in establishing contact with Motorola Kenya. Another specific outcome at this company was the identification of potentially very interesting computer controlled irrigation and security systems being made by Motorola Israel (for the corporation at large). One of their brochures is appended. This potential should be further explored. I am passing the information on to UNIDO Vienna and to a UNIDO inspired microprocessor-based irrigation project in Thailand.

2. Degem Systems

The Israeli company visited was Degem Systems. Degem makes training kits and systems for an enormous variety of skills and technologies. Many of these systems seem extremely well adapted for use in developing country training programs.

I was very impressed by what they have, their approach and the professionalism of their people. A copy of one of their brochures is appended as a sample. Degem has already done some work for AID and in my view their products could be of assistance to many AID training projects. They expressed interest in being involved in such projects and in maintaining a close relationship. One possibility discussed was joint ventures between Degem and firms in developing countries, to produce and support their systems locally.

FRANCE

The two stops in Paris were primarily to meet with IBM (see description of the Kenya microcomputer project). During the first visit to IBM I was accompanied by Dr. Henry Norman, director of VITA. At this meeting the basic commitment of IBM to the program was confirmed and arrangements made to meet with Mr. Mengel, head of IBM Kenya. The possibility of a similar program in a South East Asian country was discussed, and I will be following up with the top level IBM contact they gave me who is responsible for that region. The second visit to IBM (on my return leg) was agreed upon in order to report back on the results for the project of the Kenya visit and to make arrangements to finalize the program.

While in Paris I took the opportunity to visit with Arthur Andersen (France) as a follow-up to a meeting with Arthur Andersen (Ivory Coast). This meeting was opportunistic (a result of an enforced transit stop of one day in Abidjan while travelling from Nairobi to Freetown). We discussed the possible forthcoming PRE Mission to Ivory Coast. I explained PRE's approach and received confirmation that Arthur Andersen & Company will be willing to assist PRE's mission there in any possible way. This follows up on a previous contact established by me between Mr. Ronald Flores (who is located in Geneva and to whom the Arthur Andersen Ivory Coast Office reports), and Mr. Scheinman of PRE.

III. ASSESSMENT AND PROGRAM IMPLICATIONS

1. Management Development Strategy for Kenya

This study has reaffirmed the need for a management development program in Kenya. If anything, this need for and the urgency to begin has become more intense now that the AID Mission is developing specific private sector programs which will be putting significant demands on the capacity of Kenyan management consulting and training institutions. A build-up of this capacity is critically needed.

More specifically, the need to strengthen capacity in the financial/banking and related consulting sectors was confirmed. We should move quickly to assist these industries build their training resources, and in turn those for consulting. We should also take advantage of management resource building opportunities like the IBM microcomputer project.

A second point of confirmation relates to the 1982 Radnor/Chapman recommendation that support for small enterprises be given high priority. This focus is especially relevant to the Mission's emphasis on rural enterprises which are frequently small. Relatedly, the Mission's interest in enterprises launched by Kenya's highly entrepreneurial women nests well with our previously recommended support for the Kenya Women's Finance Trust.

One area that was not investigated in the 1982 NAS Mission but which has surfaced as being of critical importance is agricultural management. Again, vital in its own right but also because it will be a major upcoming Mission focus, this area should become a PRE priority in Kenya and possibly in the entire East African region.

Another area not well covered previously (with the exception of the Kenya Women's Finance Trust) involves PVO's. Since last summer the IESC office has been reopened in Nairobi and must be factored into program plans for PRE and the Mission). PVO's (like Partnership for Productivity, Technoserve, etc.) must also be considered. As with the KWFT, the emphasis should be on strengthening their capacity.

Finally, the recent visit further reinforced recognition of the need to strengthen the technical and artisan base in the country -- a need as great as that for management.

My discussions with key Kenya people also confirmed the support for an AID-stimulated management development initiative. But, as we had suspected, credibility is eroding because no action has been taken since last summer. A long delay after this second visit will be even more damaging.

The study brought out another critical need: that of a PRE presence as Mission and REDSO personnel develop their own private sector perspectives and programs. PRE should contribute to the project conception and design stages, but this does not happen because of PRE's absence from the scene. The Kenya situation can be contrasted with that in Sierra Leone where the opportunity arose to work with the Mission at the concept formulation stage. PRE should consider the potential implications for programs in many of the countries in which AID operates.

This issue relates to the position taken by Allison Herrick, the Kenya Mission director, who observed that a PRE management development program could enrich the private enterprise aspects of Mission projects. As I see it, this perspicacious "door-opening" suggestion for cooperation can be a first step, leading to eventual recognition that future Mission programs would benefit from working with PRE, and a strong partnership could result. In any case, PRE should meet Ms. Herrick's door-opening attitude by launching its program soon in cooperation with the Mission.

With the perspective gained from the two trips, I recommend that PRE support the early creation of a management development program in two areas: building basic management resources, and strengthening the management of small enterprises. What follows is not a specific proposal but a listing of the specific programs in each area with an indication of the budget and time parameters needed.

A. Build-up of Basic Management Resources in Kenya

- o Assist the accounting and banking association schools, individually and cooperatively as far as feasible, to come into full operation with the help of curriculum, teaching materials, faculty and facilities provided by a backstopping U.S. institution. \$125,000 is proposed for a one-year start-up effort. Since these schools are basically supported by their institutions, self-sustaining continuity would be assured.
- o Help launch the IBM microcomputer training project. IBM will provide equipment, service, software and maintenance, and also funds to set up the facility at Kenya Polytechnic. However, funding for start-up, applications development, linkage to other institutions such as Egerton College must be found elsewhere. Once underway the project will be self sustaining and possibly profit generating. A \$75,000 one year effort would achieve this goal.
- o Provide a pool of energetic, well-trained management talent to assist central Kenyan organizations during the capacity build-up phase. This can be done by making several MBA graduates (and/or interns) available to various requesting organizations. Possible organizations were discussed earlier (e.g., banks, consultants, PVO's including IESC). A minimum feasible program would require 3 to 4 graduates (or a combination of 2 to 3 graduates and several interns). Two-year initial assignments for graduates would be desirable. Salaries, expenses and support costs are estimated at \$50,000- plus per year per full time graduate, necessitating a one-year budget of about \$175,000 and a two-year budget of about \$250,000.

B. Strengthen Small Enterprises Management and the Institutions Serving Small Enterprises

- o IESC should be assisted to broaden its capacity in the small enterprise area, especially if the Mission agrees to let IESC take on the Technical Assistance responsibility for the Rural Private Enterprises program, as recommended earlier. One strategy here could be to use ISEC volunteers to assist other PVO's. A \$50,000 one-year effort is recommended.
- o Start-up support for the Kenya Women's Finance Trust is vital. A one-year of budget \$40,000 is recommended.
- o Supplementing mission support for PVO's, a modest budget to improve training packages in marketing, operations management and accounting is recommended at \$40,000. Such assistance would be an excellent example of the enriching concept discussed above.

This program should be launched within 45-60 days.

Kenya Projects Summary

Basic Management Resources

	\$
Accounting/Banking Schools	125,000
Microcomputer Training	75,000
MBA's	175-250,000

Small Enterprises

IESC	50,000
Kenya Women's Finance Trust	40,000
PVO's	<u>40,000</u>

Approximately \$550,000

Organization and Management

	<u>150,000</u>
Sub Total	<u>\$700,000</u>

Overheads, Benefits, etc. @ 25%

175,000

Approximate Total

\$875,000

There are a number of other important program areas, as mentioned in the report of activities in this study and in the summer 1982 study. These should be dealt with separately, as follows:

1. Health Projects -- respond to specific proposals from the Silverstein doctors' group (for the used medical equipment venture) and from Githongo (regarding the health systems consulting firm) as these come in.
2. Technical and artisan training -- this is a very important area that should not be neglected. The opportunity to develop the previously mentioned joint project with CIDA regarding the KTTC facility should be pursued. I recommend that PRE support a small and separate investigatory study (could be kept to under \$10,000) to determine whether a feasible joint program could be developed (one that might obtain support from AID's S&T bureau, for example).
3. Support for the development of an electronics capability, possibly using KIRDI as a base -- discussions with S&T and with the Kenya Mission should be initiated.

The agricultural management program is a special case that merits some detailing.

2. Agricultural Management Program

Discussions with the Mission agricultural group and with Tony Cascino of IMC lead me to conclude that PRE could make a very important contribution by supporting an agricultural management program with the following features:

1. It would be regional in character (for East Africa) but with Kenya as a base.

2. U.S. agriculture and agro-industry would be asked to make a significant contribution to the effort, with people, equipment and some costs. Private firms, organizations like the Mercantile Exchange, regional associations like the Mid-America Committee, U.S. government organizations like USAID, and universities working in relevant areas will be included. One objective would be to help strengthen relations between U.S. enterprises and institutions and agricultural institutions in East Africa.
3. The program would take place in both East Africa and the U.S.
4. Extensive use of existing East African institutions (such as Egerton College) would be emphasized in program design and implementation.
5. The program would be carried out in cooperation with AID missions in the various countries and REDSO.

Possible program steps could include:

1. A meeting between leaders of 10-15 key U.S. agro-enterprises and AID and other people knowledgeable about the East African situation -- the problems, needs, priorities and opportunities. The objectives of this meeting would be to co-opt the support of U.S. industry and to develop a sharp definition of needs that could be used to organize an industry mission to East Africa (step 2). Tony Cascino has agreed to work with Northwestern University to organize such a meeting and to help win industry support.
2. A mission would be organized (with the assistance of REDSO) to include experts in the identified high priority areas (e.g., meat packing, dairying, grain storage, or whatever). The participating firms would contribute people and subsidize expenses. The mission objectives would include fact-finding, development of relations and, importantly, the identification of key people who should participate in the U.S. training course (step 4). These will come from colleges, companies, research institutes, government.
3. A two-week course would be held in the U.S., given by academics, consultants and practitioners from the collaborating firms. The first week would be devoted to study, discussion and the definition of the project investigations that would be carried out by small groups in the field during the second week. These groups would concentrate on specific fields (again meat packing, arid area farming, fertilizers, etc.). One important objective will be for the course participants to go back to their countries and act as focal points and leaders of follow-up and continuing training programs, i.e., we will be training trainers and influentials.
4. Assist local organizations, AID missions to develop the needed on-going programs using the participants to the U.S. course as key resource people and maintaining the linkages developed to U.S. organizations. The participating firms will be expected to continue to provide specialists for training programs, some (probably obsolete) laboratory equipment from their laboratories, etc.

Such a program is feasible and the first step could be launched this summer. A budget of approximately \$250-275,000 would be needed for a twelve to eighteen month program.

3. Management Development Strategy for Sierra Leone

It is recognized that Sierra Leone is not one of the pre-identified target countries for PRE and that the country does not command a high priority for AID support. Nevertheless, it should be seen as a good opportunity for a successful small country private enterprise program and one that could provide a useful model. Ambassador Lewis indicated that he would be trying to win support for such a program and it is my recommendation that PRE should give him all assistance possible.

The three program areas already noted were for:

1. An accounting institute school (possibly in collaboration with the banking industry).
2. Two institutes of the University of Sierra Leone:
 - o the economics and accounting department for strengthening its links to the business community (including an advisory council) and for program and faculty assistance.
 - o the institute for public administration and management for program and faculty support and to encourage development of a part-time MBA.
3. To assist in development of a microcomputer capacity (possibly the creation of a self-sustaining service bureau) in collaboration with N.C.R.

The Mission's requested budget of \$250,000 to fund the above three areas for one year seems reasonable, given the willingness of the Mission to build longer term support into its future budgets and of the Sierra Leone government to write local support costs into the national budget. It would be most desirable to launch these projects to coincide with the arrival of the new ambassador. The Mission director has indicated that his immediate need is for "a nod of support" to enable him to trigger the needed actions by the government in time for the forthcoming budget setting.

The other indicated projects, particularly the charcoal project, should be assisted in response to specific proposals, on their merits.

4. Role of MBAs in Management Development

One of the findings of this study was to indicate the viability of a management development program built on the use of MBAs. I found a very high level of interest in having MBAs to strengthen and help train indigenous personnel. I would have no trouble in placing 6 to 8 in Kenya and 2 to 3 in Sierra Leone in very productive positions -- just based on the opportunities identified on this trip (see the specific instances noted earlier). From my discussions, people are interested in having both graduates (for one or two year assignments) and interns (between their first and second year on assignments of from 3 to 9 months).

In each case, the individual would be assigned to an organization where he would be expected to fill a significant job role under the supervision of an experienced senior executive and with colleagues whom they would be expected to assist, influence and (to some degree) train. They could also participate in some of the training programs being planned as part of a PRE or other programs.

My concept calls for providing graduates with competitive but not over-generous salaries adequate to cover their general living expenses (estimated at around \$25,000 per annum at this time). They would receive no other living allowances, but would be given one round-trip ticket from the U.S. for each year. All travel and other job-related expenses would be paid for by the organizations with which they work, but a small budget would be available for each to cover any special expenses. In the case of interns, salaries would be reduced to about \$1,500/month. Some arrangements could also be made for them to obtain course credit for appropriate project work. Where possible and desirable they could be linked to local universities in exchange programs.

One other feature will be explored: the development of corporate sponsorships. This idea was broached to IBM (Europe) and American Hospital Supply and received some encouraging feedback. A graduate or student might be hired and given some preliminary training by a firm and then go out on some shared-cost basis. This concept will need to be explored further.

The ideal candidates for positions would have had some practical experience and a demonstrated interest in developing countries. It has been my observation that there are quite a few MBA students who are looking for this type of an opportunity, for its own sake and as a step into an international management career. Included here are former Peace Corps volunteers, people with U.N. and World Bank experience, etc.

A field coordinating entity would need to be set up (through an existing organization, e.g., ISEC) to assist their programs and to develop needed new projects and materials.

To cover the above costs plus those associated with recruitment of personnel and of sponsoring firms, evaluation, etc., an initial budget has been estimated at \$50,000 per person per year (less than half the cost of an expatriate manager and less than the fully costed price of ISEC volunteers). This budgeting is of course based on on-going costs at a critical mass; the start-up costs with a very small number would be larger. The estimates made above for 3 to 4 MBAs for Kenya are based on this calculation.

This could be a fresh, exciting approach to development assistance in the private sector. It could provide a valuable type of resource in developing countries and at the same time by helping to build awareness of developing country needs and opportunities, feed back an important influence to our business school and management communities. We should use the Kenya and Sierra Leone opportunities to try-out a modest program as a prelude to a larger and more widespread effort if the experience is encouraging.

5. Working with the U.S. Private Sector

Another conclusion of this study has been to reinforce my belief that much more can be done to win the support of the U.S. private sector for PRE and

individual Mission programs. My experience in working on this study with:

- American Hospital Supply
- Bell & Howell
- IBM
- Intel
- International Minerals & Chemicals
- Motorola
- NCR

have convinced me that, properly approached, such companies can be brought in as participants and contributors to programs, for their own self-interest and because they are also interested in playing a supportive role.

Getting such support identified and organized and building a U.S. private sector constituency for AID will require substantial effort but it can be done. As first steps I would recommend a series of visits with company leaders by top AID and AID/PRE personnel; the organization of a major conference on the role of the private sector in development using key supporters identified in the visits as sponsors; the recruitment of firms as MBA sponsors (as above), and the organization of programs involving industry groups such as the one mentioned for agriculture (e.g., in health, energy, construction, etc.).

6. PRE's Role

This report has touched on several aspects of PRE's role. These are summarized and supplemented, as follows:

1. It is vital that PRE have a presence of some type in each AID mission country in order to be able to contribute constructive input to mission thinking as private enterprise related programs are conceived, designed and implemented.
2. PRE should be aware of all such programs as they are being developed and implemented in order to be able to characterize the Agency's emerging efforts in this area and to give top level advice as to leadership needed to develop the desired private sector initiative. This information is also vital to be able to communicate about the program to the congressional and business communities.
3. Relatedly, PRE must develop a clear articulation of the private sector development strategy, for PRE and the Agency as a whole, in the light of the needs, the Agency's mandate and the resources available and obtainable. This includes helping people to recognize and emphasizing that the strategy supports non-governmental local initiatives.
4. AID should make the greatest possible effort to harness the support of the U.S. private sector where it is likely to contribute positively to development programs. This applies to individual missions and to PRE. PRE can play a very useful role for the missions by helping to link them to appropriate U.S. enterprises.
5. Another useful service PRE can contribute to the missions is providing education and materials regarding the private sector, financial markets, training resources, etc.
6. PRE may also be able to contribute useful assistance to regional organizations (REDSO) and to develop useful complementary programs at the regional level.

7. The concept of PRE programs as enriching, complementary and supportive to Mission programs is a good one. It allows PRE to be supportive but yet innovative and pointing to new directions.
8. Given its modest budget, PRE programs should continue to be viewed as stimulating and catalytic, serving as models for new directions. This applies especially to the modest loan capital available.
9. My final comment relates to the Battelle, January 1983 report (Pauline H. Baker) which I happened to see while on the trip. While some of her observations of the needs and problems are reasonably accurate, her conclusions seem to me to have missed the concept of what the private sector initiative really implies and especially of the roles that must be played to implement the concept, as listed above. The solution to the problems she discusses is not to merge PRE's role into the line operating arms of the Agency; nor would a much larger PRE budget change the complexion of the problem. The solution to the problems lies in the performance of the roles indicated in the eight points above.

APPENDIX

1. Technical Assistance for Rural Private Enterprise -- Kenya AID Mission
Project Work Statement
 Michael Radnor, April 20, 1983
Appended Notes
 Michael Radnor, May 18, 1983
2. Financial Administrative and Management Training for Kenya. British
Council
 G.W. Glenworth, March 15, 1983
3. Delegation of the Commission of the European Communities in Sierra Leone
EEC Report, December 1982
4. Motorola Israel material
5. Degem Systems material

TECHNICAL ASSISTANCE FOR RURAL PRIVATE
ENTERPRISE - KENYA AID MISSION PROJECT
WORK STATEMENT

Michael Radnor - April 20, 1983

A Technical Assistance Organization (TAO) will be recruited to provide needed training and consultancy assistance to the rural and rural related enterprises in the managerial operations (e.g., book-keeping, inventory management, quality control, organization), business (e.g., marketing, finance, regulations) and technical (e.g., processes, equipment, facilities) areas.

The TAO will be required to perform the following tasks and submit the indicated reports.

1. TASKS AND REPORTS

1. Preliminary and Annual Market and Resources Study.

Using all available relevant information developed through AID* and other appropriate studies, the Technical Assistance Organization (TAO) will carry out a preliminary field market and resources survey to develop a detailed and specific picture of the information:

- a) The market for the loan funds and assistance program that are to be provided to enterprises under this Program. The results of the study should be a detailed description and assessment of the likely recipients (in specific and summary form) as to:

* Reference should be made to the AID commissioned Deloitte, Haskins and Sells (December 1982) study of the rural private enterprise capital requirements situation and various AID studies on this market situation.

- . size and location;
- . types of business;
- . purposes to which loans would be put;
- . level of loan requirements (immediate and continuing);
- . rate at which capital can be productively absorbed by these enterprises;
- . likely type and extent of requirements for training and consulting assistance in managerial, business and technical areas;
- . other important constraints to be dealt with affecting the enterprises' prospects;
- . domestic and export markets and technologies likely to be available in current and related fields;
- . general assessment of viability and prospects, and of past loan experience.

b) The training and consultancy resources that could be utilized for various aspects of the Program. While it is intended that such resources would be drawn primarily from Kenya, it is also important to identify external sources of special and supplementary skills from the U.S. and (as necessary) other countries. This element of the study will require source identification, assessment and preliminary negotiation with respect to form, extent, costs and conditions of involvement.

It is anticipated that this market and resources study will involve on-site meetings in Kenya with a substantial number of rural and rural-related enterprises of various sizes around the country (an approximate sample target of 150 is suggested), with 20-30 branch and central bank offices, with the major accounting and consulting firms, training institutions, private volunteer organizations (PVO's) and appropriate government agencies. As needed, data should also be collected from non-Kenyan sources.

The study results should be used to develop the strategies, detailed decision priority bases and other guidelines needed to perform the procedural steps described below. Another outcome will be a preliminary list of specific enterprise prospects that can be passed on to the commercial Banks which will be participating in the program. Another very important expected outcome will be a preliminary assessment of new and especially export market opportunities that may be reachable by the Program target firms, and of what would be required to do so successfully.

The study will be an initial base-line investigation, to be re-cycled and updated through the life of the Program, informally on a continuing basis and formally after each eleven (11) months of operations -- but on a more modest, incremental basis.

The results and conclusions of the study will be shared with the responsible persons at the Kenya AID Mission, and agreements reached on strategies and guidelines. The same process will be followed after submission of each annual market and resources report, and any strategic and operations changes agreed to. Appropriate aspects of the funding and agreed guidelines will be passed on for discussion with the participating Banks. If needed, a special form of the reports will be prepared for this purpose.

2. Assistance Application Feasibility Studies

As part of the on-going process of loan and assistance applications and approvals to be carried out by the participating Banks, the TAO will receive loan applications which are preliminarily deemed by the Banks to require training or consultancy assistance. The applications will have already been reviewed by the internal Bank staff, have been accepted as potential recipients of AID Rural Enterprise loans and a Bank assessment of assistance needs specified.

The TAO will examine the feasibility of each such application. A written assessment will be made of:

1. The needs and opportunities, considering costs and benefits, feasibility and any procurement issues.
2. The training and consultancy assistance that will be needed, by type and level.

Depending on the case, this may be a pro-forma assessment based on the bank provided information, or as a result of an independently conducted field investigation. The latter will be the norm for all applications involving:

1. Loans in excess of \$100,000;
2. Substantial assistance demands (as determined by the TAO);
3. Unusual and/or innovative situations;
4. An assessment by the TAO of unsatisfactory bank information; and

5. As needed, to stay informed.

The proportion of such field investigations will likely change with program experience but is estimated at 50% as a starting point.

The feasibility assessment will lead to:

1. The concurrence or negotiated agreement with the submitting bank as to the assistance to be provided the client firm by the TAO;
2. The agreed charging category for such services (see below);
3. The priority status of the case, to be used for AID reporting.

It is to be emphasized that this process step will be in no way abridge the decision authority of the bank to make the loan and/or to provide assistance from its own resources.

The TAO will submit a case-by-case summary report to AID. A quarterly summary of all applications received and disposition will also be submitted. This report will include a macro analysis of the emerging applications pool and pattern of change over time. It will also contain an assessment of the TAO assistance demand being generated (and forecast) by the program.

3. Assistance Provision and Charges to Program Clients

3.1 Consulting Assistance

The TAO will provide the consultancy assistance specified and agreed to with the Banks in the Rural Enterprise loan agreements. Such assistance will also be provided to enterprises deemed as fitting within the program criteria and priorities for support but to which no bank loaning is being made. The TAO will be free to provide such non-loan related assistance as long as its loan related obligations are being met within the budget. It is anticipated that such non-loan assistance requests will be generated by the Banks, PVO's and the TAO itself.

The TAO will sub-contract with other organizations or individuals (consultants, PVO's, other service providers) primarily in Kenya but also from abroad, to carry out the bulk of this consultancy work. This subcontracting may be arranged on both a case-by-case and/or blanket requisition basis. Alternatively, the TAO may achieve the same functional set-up by organizing a consortium of such consultants, plus additional sub-contracts as needed. Since it is intended that a rich combination of resources be used, it is recommended that no single sub-contractor perform more than approximately 25% of the work (on both a budget and activity basis). It is expected that this may need to be reviewed with experience. Further, it is expected that the TAO be staffed with a core group of professional in Kenya so that it is able to provide upto 20-25% of the consulting assistance itself. This is seen to be necessary to ensure TAO field involvement and need-based learning experience.

Consultants will be expected to assist enterprises in all generally recognized management, business and technical areas (marketing, operations, finance, processes, equipment, regulations, etc). Such assistance will need to be appropriate and geared to the rural and rural related and frequently small enterprises envisaged in the target population. Normal and proper professional consulting industry standards and practices must be maintained. Collaboration with bank-provided assistance should be sought.

Given the potentially very wide technical bases of possible targets, the TAO will be given discretion in terms of opting out of support work in areas in which satisfactory technical assistance cannot be obtained within reasonable cost and time parameters. This may also occur with respect to some market area studies.

The TAO will submit monthly case-by-case summary activity reports to AID and quarterly reviews. These quarterly reviews will include an assessment of enterprise/industry/regional progress problems and opportunities being encountered and recommendations for change and new initiatives. The fourth quarter annual review will be the major assessment report to AID. The case-by-case reports and the quarterly enterprise reviews will also be separately packaged to send to the Banks for their information. In turn, the TAO should request reciprocal information from the Banks on their work with the client enterprises.

3.2 Training Assistance for Enterprise Personnel

This refers to training given to client personnel outside their enterprise (in-enterprise training is considered as consulting).

Where appropriate the TAO will either:

1. Arrange for people to attend existing programs;
2. Arrange for special programs to be given for identified target groups by existing training organizations;
3. Provide special courses using TAO personnel;
4. In very special cases arrange for a person to go for training abroad.

It will be the responsibility of the TAO:

1. To have identified appropriate training opportunities;
2. To work with training institutions in Kenya (and elsewhere) and to encourage and guide them to make available courses and materials appropriate to the needs of the program clients;
3. To encourage clients to participate and make good use of training opportunities. This includes keeping them aware of such opportunities. This information should also be made available to the Banks, and others on request;
4. Where appropriate training materials are needed but unavailable, or where proper facilities or arrangements are unavailable (e.g., in remote rural areas), the TAO may invest (with discretion) in keeping to make such resources available.

With respect to the consulting/training balance, no specific guidelines can be given at this time, but the general expectation is for putting greater emphasis on the former.

The TAO will provide AID with similar reporting on training as on consulting assistance. The two areas should be integrated into a single report.

3.3. Assistance Charges

Base charges for both consulting and training will be established at normal going rates for the specific service involved. Clients will be required to pay only a proportion of these costs, the proportion, (generally between 10% and 50%) to be determined by their designated "charging category" (see 2 above). The charging category scheme is to be developed by the TAO, and approved by AID. AID is to be kept informed on the individual category assignments of each client.

In the case of clients receiving assistance in association with a bank loan an initial level of TAO assistance will have been agreed upon in discussion with the bank as well as a charging category. The TAO must recognize that since the total amount to be devoted to assistance is fixed and limited there is a built-in incentive to have clients pay as high a proportion of costs as possible, so making assistance available to a larger number of enterprises. For these "bank-loan" clients the agreed-upon assistance charge will be deducted from their loan up-front, and the sums returned to AID to be used to help make up the assistance budget. Clients will be able to purchase additional assistance at the same rate from the TAO (at their discretion). Non-loan assistance clients will purchase directly from the TAO at their TAO assigned charge category rate.

Sub-contracting consultants, training institutes, etc. will charge TAO at their full rates for specific services rendered. The TAO will be able to draw on AID funds for the non-charged fee balances against specific vouchers. In the case of services provided by TAO staff all effort must be accounted for and fees received passed on to AID. AID will receive complete financial reports from the TAO, monthly.

Generally, clients will be eligible to receive the subsidized assistance for up to three (3) years. This may be extended for up to two (2) additional years on the advice of the TAO and with AID approval. It is an objective of the program to wean clients away and into normal bank client status as soon as possible (and desirable).

4. Monitoring

4.1 Client Monitoring

The TAO will set up a general client monitoring process to ensure proper implementation of assistance, to trouble-shoot problems and to signal developing problems.

Except where clients are being visited on assistance efforts, the TAO should plan to have contact with each client on monthly basis. The monitoring log and information so gained will become part of the regular client status reports going to AID. Again cooperation and information exchange in this area with Banks is expected. Such TAO monitoring should continue for between 6-12 months following conclusion of assistance (at the TAO's discretion).

Clients with AID loan funds will also need to be monitored to ensure compliance with USAID procurement regulations.

4.2. Loan Program Monitoring

The TAO will be expected to assist AID in monitoring compliance by the participating Banks with the project agreement:

1. Actual verification of loans made;
2. Compliance with loan criteria and priority mix;
3. Analysis of loan drawdowns viz a viz loan disbursements.

In collaboration with the Banks and AID and as verified from field data, a quarterly report will be prepared for AID. Any discrepancies or worrying signals will be discussed with AID only. AID will be responsible for discussions and relations with the participating Banks. The quarterly review reports to AID will incorporate the findings of this monitoring activity.

5. TAO Institutional Roles

Two types of institutional roles are to be performed:

1. Training of bank and PVO assistance personnel;
2. Assistance resources clearing house and linkage for Bank and PVO assistance efforts.

The TAO will, at the request of the participating Banks and PVO's set up (or direct to) courses of training for properly designated personnel from these organizations who are working in the assistance area. The number, subject matter, format and location of these programs is not specified at this time, but will be determined by mutual agreement, within general budget constraints. Prior notice of all such courses as well as post-course reports are to be sent to AID. After one year of experience, parameters for future courses may be set.

Bank and PVO personnel should also be able to look to the TAO for information and assistance in locating persons and organizations needed by them in the performance of their assistance efforts. As feasible, other consultants or training institutions involved in the program can obtain such assistance on program projects.

6. Form of Operations

As far as possible, the TAO should work through existing Kenyan private sector institutions. External sources of expertise should be used:

1. Where not locally available (at the level or quality required);
2. Where available under especially advantageous conditions for the program (e.g., contributed or otherwise supported resources). In this regard, the TAO is encouraged to take maximum advantage of involving the U.S. organizations where this is clearly to the program's advantage.

As indicated earlier, the TAO group may be formed through a prime contractor or a consortium.

7. Qualifications

The TAO should combine skills and experience in the following areas:

1. Management and business (especially of the entrepreneurial and smallest enterprise type);
2. Technical know-how of the very practical artisan varieties;
3. Rural and rural-related experience;
4. Financial and banking experience;
5. Knowledge of the Kenyan agricultural, business, trade, economic, social and political environment;
6. Experience in networking, and especially with links to appropriate industry and commerce resources in Kenya and the U.S. Experience in selecting and recruiting people with specialty technical skills is also very important.

8. Staff and Budget

The basic structure of the TAO will be a core staff plus a network of consulting/training entities, linked either through sub-contracts or a consortium. In either case the "sub-contracted" costs will be of a reimbursable type against an overall budget, the only direct funding required will be that to cover the staff salaries and expenses and in-house project costs.

A core staff of 4 (2 financial, 2 technical) full time professional equivalents is anticipated, two at expatriate and two at Kenyan salary rates. Fully supported and loaded this is estimated, at an annual steady state rate at :

	\$
Salaries, support, expenses	400,000
Administration \$100,000	
Assistance <u>300,000</u>	
Special programs, Materials	<u>100,000</u>
Total	500,000

Allowing build-up and phase-down over the 5 years (starting with perhaps 2 persons and growing to 4 by one year, and phasing down by year 5):

5 Year Total	<u>2,000,000</u>
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Sub-contracts for assistance	1,250,000
<u>Core or In-house TAO</u> } Assistance Ratio	1:4-2
<u>Network or Contracted out</u> }	(as planned)

5 year Total (as above, allowing build-up and phase down)	<u>5,000,000</u>
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Total Assistance budget	\$ <u>7,000,000</u>
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Note: No division of the \$5.0 million in sub-contracts as between: 1) consultants, 2) training institutes and 3) PVO's is given. This will require some experience. A 2:1:1 split could be a reasonable starting point.

The TAO will be responsible for handling all financial transactions on the assistance aspect of the program. Quarterly reports will be submitted to AID.

9. Evaluation

Annually, and overall at the end of five years, an independent contractor will evaluate the program. The study will use general macro economic, trade and employment statistics on a national and regional basis, bank records from before and during the program, AID Program reports, and supplementary field investigations.

The essential success criterion will be based on an estimate of the extent of enterprize success, employment generated in the rural areas, exports, import reductions, etc. that have resulted from this program, that would have been unlikely to have occurred in its absence, in relation to the program costs (primarily on an "opportunity cost" basis).

Such an evaluation will require a relatively sophisticated evaluator with business and economic as well as evaluation skills. If such an organization can be found locally this would be desirable given the difficulty in separating real from apparent performance in this situation. A joint venture with U.S. organization may be necessary.

A \$350,000 budget should be allocated.

Appended Notes 5/18/83

Main Comments on this Work Statement from Mission Personnel (Shah and Bertolin) and Radnor Response

Pages 1-2 (Preliminary and Annual Market Resources Study)

Mission personnel would like this study to have its main emphasis on the technical assistance needs with no (or at most little) attention to the loan aspects. The rationale here is that this has already been studied (by Deloitte, Haskins and Sells), and in any case the Banks will be responsible for the loan decision making.

Radnor Response

While I appreciate the Mission point here I cannot accept the position that enough is already known or that the Bank decision making will be a sufficient basis. Our discussions with D, H and S left us far less convinced. If AID is to give the necessary overall supervision to the project and is to be able to extract the maximum learning benefit, it must start with a solid field-based picture of the financial as well as the technical and managerial needs of the ultimate program clientele. I would urge the Mission to include both aspects in the initial study. In fact, it would be hard to study the one without some consideration to both.

Page 3 (point 1, lines 26 and 27)

To be removed.

Radnor Response

Agreed.

Page 4 (3.1 Consulting Assistance)

Mission feels that with respect to non-loan assistance this should be allowed only on AID approval and/or as long as it comes within pre-agreed budget limits.

Radnor Response

Agreed -- this was intended and the above helps to clarify the proper policy.

Page 6

An additional point (e.g., 2a) should be added, as follows:

2(a) Arrange for courses to be given by U.S. experts.

Radnor Response

Agreed - an oversight on my part.

(Point 4)

With respect to TAO investment in training materials, Mission wants it made clear that this could only be done within agreed budget limits.

Radnor Response

Agreed.

Page 8 (4.2 Loan Program Monitoring)

Mission wishes this to be consolidated with the general evaluation described under item 9 (page 11).

Radnor Response

I agree that this could be done that way, and I would not have any strong disagreement about doing so. However, there is also merit in keeping the general evaluators clean from any on-going operational roles; and the monitoring implied in 4.2 is essentially operational monitoring. I could see some potential conflicts coming up here, and some loss of day-to-day responsiveness and learning. I recommend that the Mission give further consideration to keeping this role in AID itself. I do realize that this will create some added Mission burden but I see this as part of the involvement commitment that the Mission will have to absorb if it is to manage this project successfully.

Line 33

Reverse the order from: set up (or direct to)

to: direct to (or as needed, set up)

Radnor Response

Agreed.

DELEGATION OF THE COMMISSION OF THE
EUROPEAN COMMUNITIES IN SIERRA LEONE

Second Report in terms of Article 123.4
of the Lomé II Convention covering the
period of 1 January to 31 December 1982.

1. INTRODUCTION

1. The year 1982 brought progress in the field of financial co-operation both for the 4th EDF and for the 5th EDF indicative programmes (I.P.). Commitments for 5th E.D.F. projects increased by 16.7 mln Ecu to 40.9% of the total amount of the I.P.

New commitments for 4th EDF projects were approved to the extent of 4.6 mln Ecu. The 4th EDF allocation to the indicative programme of 32.5 mln. Ecu is now committed for 99.3%.

Disbursements for projects were about 7 mln Ecu, bringing the total of 4th EDF projects to 22,2 mln Ecu or 68.3% of the committed amount, and 5th EDF projects to 0.73 mln Ecu or 1.6%.

The main impediments to the financial co-operation activities are the following:

- The at present restricted possibilities make the financing of cost overruns by the Government hypothetical.
 - The appreciation of the Leone and the high rate of inflation lead to bids for contracts which go far beyond the scope of the estimated tender prices.
 - Operations of the EDF will not be touched directly by the Modification of Exchange Arrangements. Local contractors and suppliers, however, may have difficulties to compete if they are operating in the commercial market or if the modified arrangement should boost inflation.
2. Activities in trade and industrial co-operation were disappointingly minimal. The study "Promotion of small-scale enterprises" had no sequel yet.

Sierra Leone's Stabex claim for 1981 had to be reduced by 54% because of shortage of funds in the system.

II. IMPLEMENTATION OF THE LOME II CONVENTION

2.1. Trade co-operation

2.1.1 Trade arrangements

In his speech on the revised budget, held on 29 October, the Minister of Finance announced increase of import duties and conversion of specific rates to "ad valorem" rates on a number of products. Excise duties were introduced for certain products and increased for others.

On 17 December an Official Market (OM) and a Commercial Market (CM) in foreign exchange were established. In the O.M. the official rate will be used. The O.M. will be supplied by export proceeds of cash crops (50%), diamonds, bauxite, iron ore (67%), bunker oil (100%), by official loans and grants, and by I.M.F. purchases. Imports of crude oil, oil products, flour and wheat, prescribed textbooks and educational materials and imports associated with official loans and grants will be financed through the O.M. All other trade activities (imports and exports) will be financed through the C.M. It is too early to assess the influence of this measure on prices of imported goods. Some pressure upwards is likely in as far as the effects of the "parallel" market have not been calculated already into the local prices for these goods.

2.1.2 Trend of trade with the EEC

By lack of reliable statistics a meaningful evaluation cannot be given.

2.1.3 Trade promotion

Sierra Leone participated in the International Tourist Fair at Berlin from 27 February to 5 March.

A further programme of trade events was cancelled by the Government.

2.2.1 Stabilization of export earnings (Stabex) 1981

Justified claims were submitted for:

Palm Kernel Products	2,327,245 Ecu
Cocoa Beans	114,723 Ecu
	<hr/>
Total	2,441,968 Ecu

Shortage of funds of the Stabex system forced to a reduction of 54%. The following amounts were allocated:

- transfer in cash	887,194 Ecu
- increase of indicative programme allocation	248,420 Ecu
	<hr/>
Total for Stabex 1981	1,135,614 Ecu

2.2.2 Stabex 1980

According to article 41 of Lomé II the Government should have informed the Commission of the use to which transferred funds have been put within twelve months following the signing of the transfer agreement of 23 July 1981 (Stabex 1980). This information has not reached the Commission yet.

2.3. Industrial co-operation

2.3.1. Operations included in the Indicative Programme

The Study "Promotion of small-scale enterprises" financed under 4th E.D.F. has not been followed by a project proposal.

The credit line to the National Development Bank has not been used in 1982. Its duration is extended to December 1983.

2.3.2. Activities of the Centre for Industrial Development

The Director of the CID, Mr. Mosgard, and the Head of the Industrial Studies Division, Mr. Magombo, visited Sierra Leone from 18 to 25 March on an official mission.

Two consultants followed their mission for project identification. They were in Sierra Leone from 10 to 20 June.

Sierra Leone representatives participated in CID's Food Industries Sectoral meeting on 26 and 27 October in Brussels and in the Dakar Forum from 23 to 27 November.

Mr. E. Pearce, Managing Director of the National Development Bank joined the Advisory Council of the C.I.D.

By letter of 25 August the National Authorising Officer requested the appointment of an expert in industrial development from EEC-CID's Industrial Co-operation Expert Programme (ICEP). The request has not yet been decided on.

2.4 Financial and technical co-operation

2.4.1. Implementation of the National Indicative Programme

The year was characterized by the approval of 6 projects and 2 studies to a commitment of 16.7 mln. Ecu or 37% of the total amount of the I.P.

Disbursements out of the 5th EDF are still at a low level but several projects coming on stream this situation will rapidly improve.

2.4.2. Situation of the I.P. projects

Multi-annual training programme (5/001) Ecu 4 mln.

The programme was approved on 10 February to an amount of 3.8 mln. Ecu. A provisional sum of 0.2 mln. Ecu had been allocated in 1981.

New awards were granted to Fourah Bay College, Njala University College, Milton Margai Teachers College, Bunumbu Teachers College and Makeni Teachers College for a total of 280 students.

Fellowships were granted for various short and long term overseas studies.

First micro-projects programme (5/003) Ecu 1.21 mln.

Five micro-projects have been started. The support unit (0.7 mln. Ecu) will be ordered in the beginning of 1983.

Study Port Loko I.A.D.P. (5/005) Ecu 0.13 mln.

The study was finished in October.
The final report was approved in December.

Tourism development study (5/008) Ecu 0.10 mln.

The final report was approved in October.

Government is considering further studies on detailed projects.

North Western I.A.D.P. (Kambia) (5/009) Ecu 0.80 mln.

The project was approved on 22 February to an amount of 4.9 mln. Ecu of which 4.1 mln from 4th EDF and 0.8 mln from 5th EDF. A Sierra Leone project manager has been appointed with the first task to make the project operational. It is expected that this will occur in the beginning of 1983.

Potoru rubber project (5/010) Ecu 2.4 mln.

The Commission approved this project on 28 April. The commitment was fixed at Ecu 2.4 mln. in the form of a special loan (duration 40 years; 10 years grace; 0.75% interest).

The co-donors, Commonwealth Development Co-operation and the Caisse Centrale de Co-operation Economique, had both proffered loans to about the same amount in October and November 1981 respectively. Their offers had to be cancelled after one year.

Consequently, at present the conditions to implement the project are not met.

GOSL and the Commission have to consider how to solve the problem of the approved commitment which, for the time being, cannot be activated.

Telecommunication study (5/011) Ecu 0.21 mln.

The study was approved on 19 August.

Three consultancy firms on the short-list submitted their offers. fourth consultant, not short-listed, submitted an offer with the alleged backing of the Ministry involved. The Government has not yet decided on the awarding of the contract.

Kambia fisheries project (5/012) Ecu 0.90 mln.

Approved on 29 September. A short-list with two consultancy firms has been sent to the N.A.O. for the choice of a project manager.

Njala Water Supply Ecu 0.95 mln.

Approved on 28 October.

The tenders have been submitted. The lowest bid is about 70% above the allocated amount. Discussions are taking place to find a feasible solution.

Economic study Sambamba-Taduqu road (5/013) Ecu 0.08 mln.

Approved on 4 November.

Koinadugu I.A.D.P.-Phase II Ecu 7.5 mln.

The project was approved by the Commission at the end of December. The continuation of the programme in Koinadugu District is now assured.

- 2.4.3 Non-programmable aid
Stabex 1981 (see 2.2.1.) Ecu 1.14 mln.
Koidu Kimberlite project Ecu 10.0 mln.

The E.D.F. provided this amount to the European Investment Bank for onlending to the Government in the form of risk capital. Moreover the E.I.B. offered a loan of Ecu 10 mln. from its own resources to N.D.M.C.

- 2.4.4. Regional Co-operation
Mano River Union (MRU) Projects

- Final Design Hydro-electric scheme of the Mano River

A "Study on Demand, Supply, Production and Distribution of Energy in the Mano River Union" was financed by the Federal Republic of Germany (GTZ).

The outcome of the study, which will be decisive for the Final Design, is not yet known.

- Telecommunications and Postal Training Institute

A draft financing proposal to an amount of Ecu 2.5 mln. was submitted to the Commission in November. A decision is expected in the first half of 1983.

- Industrial Development Unit-phase II (5/063) Ecu 1.5 mln.

The Commission approved the project on 13 July 1982. The financing agreement was signed in Freetown on 8 October. The contract between the MRU and the consultancy firm managing the Unit was signed and endorsed on 11 November. The effective date is 1 October.

III. CO-OPERATION OUTSIDE THE LOME CONVENTION

3.1 Food aid

a) 1981 programme

In February 700 tons and in May 680 tons of milled rice was received and acknowledged. In January 200 tons of butteroil arrived. Quarterly reports on the sales of the rice and the distribution of the butteroil have not been submitted by the Government. Nor was any report submitted on the use of the counterpart funds from the sales of rice.

b) 1982 programme

Government requested 10,000 tons of rice, 957 tons of milk powder and 639 tons of butteroil. The Community allocated the following quantities:

4,000 tons of cereals (or rice equivalent)
500 tons of milk powder
200 tons of butteroil.

Deliveries have not yet taken place.

SIERRA LEONE

Lomé II - Financial Commitments at 31 December 1982 - 5th EDF (contd...)

Ecu '000

Date of Decision	Title of Project/Operation	EDF Amount and Type	Interest Rate Subsidy	Risk Capital	STABEX	Total EDF	EIB Loans (own res.)	Grand Total EDF + EIB
<u>Non-Programmable Commitments</u>								
<u>1981</u>								
24.07	Stabex 1980				947.8	947.8		947.8
<u>1982</u>								
16.09	Stabex 1981				1,135.6	1,135.6		1,135.6
27.07	Koïou Kimberlite	.					10,000	10,000.-
05.10	Koïou Kimberlite			10,000 (p)		10,000		10,000
	Total Non-programmable aid			10,000	2,083.4	12,083.4	10,000	22,083.4
	Grand Total	18,409		10,000	2,083.4	30,492.4	10,000	40,492.4

Legenda

S = grant

P = Loan on special terms.

SIERRA LEONE

Lomé II - Financial Commitments at 31 December 1982 - 5th EDF

Ecu '000

Date of Decision	Title of Project/Operation	EDF Amount and Type		Interest Rate Subsidy	Risk Capital	STABEX	Total EDF	EIB Loans (Own res.)	Grand Total EDF + EIB
<u>1981</u>									
10.03	Multi-annual Training	200	S				200		200
21.05	Study K.I.A.D.P.-II	100	S				100		100
26.05	1st Micro-project progr.	1,210	S				1,210		1,210
30.06	Study P.L.-I.A.D.P.	130	S				130		130
08.10	Study Kambia Fisheries	18	S				18		18
30.10	Tourism Study	100	S				100		100
<u>1982</u>									
10.02	Multi-annual Training	3,800	S				3,800		3,800
22.02	N.W.-I.A.D.P. (Kambia)	800	S				800		800
11.03	Intern. Trade Fairs	11	S				11		11
28.04	Potoru Rubber	2,400	P				2,400		2,400
19.08	Telecomm. Study	210	S				210		210
29.05	Kambia Fisheries	900	S				900		900
28.10	Njala Water Supply	950	S				950		950
04.11	Ec. Study Sambamba - Kabala	80	S				80		80
.12	Koinadugu I.A.D.P.-II	7,500	S				7,500		7,500
	Total Programmable aid	18,409					18,409		18,409

./.

ANNEX No. IISIERRA LEONEDisbursements of the 5th EDFEcu

Projects	31.12.81	1982	31.12.82
Multi-annual training (5/001)	26,809	23 ,417.	258,226
Study Koinadugu IADP-II (5/002)	90,300	600.	90,960
Micro-projects (5/003)	-	57,336	57,336
Trade fairs (5/004)	-	10,606	10,606
Study Port Loko IADP (5/005)	-	128,500	128,500
Study Kambia Fisheries (5/006)	10,500	7,327	17,827
Study Tourism Development (5/008)	-	97,500	97,500
N.W.-IADP (Kambia) (5/009)	-	67,454	67,454
Total National indicative programme	127,609	600,800	728,409
Stabex 1980	947,774	-	947,774
Stabex 1981	-	887,194	887,194
Total Sierra Leone	1,075,383	1,387,994	2,563,337

SIERRA LEONE

Summary of continuing activities of Lomé I

1. State of projects, 4th EDF

- Multi-annual training programme

The allocation of Ecu 2.3 mln. is totally committed. Some commitments will be operative for the next two years.

- Equipment for Hospitals, Dispensaries and Health Services

No solution has been found yet for the replacement of some faulty equipment. The supplier seems to be delaying an agreement willfully.

A supplier's expert has inspected the X-ray equipment. A relatively small amount is to be used for replacing some parts. It is expected that commissioning of the units will be completed in the first quarter of 1983.

- Integrated medical education and training

a) On 20 August the Chief Authorising Officer decided to increase the total allocation with Ecu 225,000 in order to provide the Paramedical School at Bo with electricity, water and telephone. Construction of these utilities is about to start. The school may be opened in this academic year.

b) Construction of the Department of Health building at Fourah Bay College was progressing with some delay. The building is commissioned in December 1982. A delay was caused partly by some extra works.

- Micro-projects, 1st and 2nd programmes

94% of the amounts of the 1st programme and 71% of the 2nd programme are disbursed.

- Credit line N.D.B.

No projects were submitted for funding in 1982. On 19 August the Commission decided to extend the duration to December 1983.

- Makeni-Kabala Road

It is expected that the stretch Makeni-Sambamba will be completed at the end of January 1983. The contractor, however, requested extension of the construction period to the end of March 1983. Construction of the section Sambamba-Fadugu out of the balance of the project sum has become doubtful because of high claims of the contractor.

KOINADUGU INTEGRATED AGRICULTURAL DEVELOPMENT PROJECT - First Phase

This project, implementation of which started in mid-1978, was scheduled to come to an end on 30 June 1982. In fact, at this date, technical assistance by the Danish firm Carl Bro International was ceased except for a roads engineer. However, as the financing proposal for the Second Phase was not ready yet and as spare funds were still available, it was decided to carry on with the First Phase activities until the end of 1982.

An evaluation carried out by the Delegation in September 1982 has pointed out that the targets initially set for the First Phase had certainly not been met owing to numerous constraints but that despite these problems a well staffed and well equipped project structure had been set up that could be made fully operational in the Second Phase.

- Support for existing educational institutions

A contract was concluded for the building of three Teachers Colleges with the successful tenderer, Building Engineering & Construction Company (BEACON). Construction started in November 1982.

The total commitment for the project was increased by Ecu 307,000 to Ecu 2,357,500 in order to cover the contract costs.

- Study Rural Water Supply

The study was completed in September. A follow-up project is now awaited.

- North Western I.A.D.P. (Kambia)

Financing of the project was approved for Ecu 4.1 mln. from the 4th EDF and Ecu 0.8 mln. from the 5th EDF. A Sierra Leonean Project Manager was appointed per 1 November.

- Study Small Scale Enterprises

The Study which was finalised in 1981 has not yet been followed by a project.

2. Commitments and Disbursements - 4th EDF

Commitments reached Ecu 32,269,000. This amount represents 99.3% of the total of the indicative programme for Lomé I (Ecu 32.5 mln.).

The amount of disbursements for programmes and projects stands at Ecu 22,206,716 representing 68.3% of the total of the I.P.

REGIONAL CO-OPERATION - 4th EDF

MANO RIVER UNION

In August the Commission increased the commitment for the Industrial Development Unit ~~from~~ Ecu 80,000 to Ecu 980,000.

Total commitments stand at Ecu 5,080,000 (100%).

Disbursements reached Ecu 4,127,292 or 81.2% of total commitments.

SIERRA LEONE

Summary of continuing activities of Lomé I

1. State of projects, 4th EDF

- Multi-annual training programme

The allocation of Ecu 2.3 mln. is totally committed. Some commitments will be operative for the next two years.

- Equipment for Hospitals, Dispensaries and Health Services

No solution has been found yet for the replacement of some faulty equipment. The supplier seems to be delaying an agreement willfully.

A supplier's expert has inspected the X-ray equipment. A relatively small amount is to be used for replacing some parts. It is expected that commissioning of the units will be completed in the first quarter of 1983.

- Integrated medical education and training

a) On 20 August the Chief Authorising Officer decided to increase the total allocation with Ecu 225,000 in order to provide the Paramedical School at Bo with electricity, water and telephone. Construction of these utilities is about to start. The school may be opened in this academic year.

b) Construction of the Department of Health building at Fourah Bay College was progressing with some delay. The building is commissioned in December 1982. A delay was caused partly by some extra works.

- Micro-projects, 1st and 2nd programmes

94% of the amounts of the 1st programme and 71% of the 2nd programme are disbursed.

- Credit line N.D.B.

No projects were submitted for funding in 1982. On 19 August the Commission decided to extend the duration to December 1983.

- Makeni-Kabala Road

It is expected that the stretch Makeni-Sambamba will be completed at the end of January 1983. The contractor, however, requested extension of the construction period to the end of March 1983. Construction of the section Sambamba-Fadugu out of the balance of the project sum has become doubtful because of high claims of the contractor.

SIERRA LEONEDisbursements of the 4th EDFEcu

Name of Project	31.12.81	31.12.82
01. Multi-annual training	1,498,827	1,779,452
02. Medical equipment	1,817,910	1,818,008
03. Study Medical Equipment	15,706	15,706
04. Study Paramedical School at Bo	52,920	52,920
05. Preparation Port Loko/Kambia IADP	9,871	9,871
06. Stabex 1976	3,977,274	3,977,274
07. Micro-projects - 1st programme	227,963	281,930
08. Credit line N.D.B.	443,315	443,315
09. Koinadugu IADP	3,457,807	5,396,133
10. Livestock Study	94,545	94,545
11. Forest resources study	164,820	164,820
12. Makeni-Kabala Road suppl. study	106,116	106,116
13. I.M.E.T.	1,200,034	1,391,543
14. Micro-projects, 2nd programme	200,164	284,296
15. Prelim. study Njala Water Supply	4,450	4,450
16. Makeni-Kabala Road	4,576,038	8,038,679
17. Support existing ed. institutions	517,189	744,439
18. Study rural water supply	-	106,000
19. Study Small Enterprises	80,207	120,873
20. Design T.T.C.'s	21,052	72,000
21. Kambia I.A.D.P.	-	67,500
99. Administrative expenses	1,214,120	1,214,120
Total	19,844,872	26,183,990
of which: programmes/projects	15,867,598	22,206,716
Stabex	3,997,274	3,997,274
<u>MANO RIVER UNION</u>		
33. M.R. Hydro Scheme Study	2,300,000	2,582,726
60. Industrial Dev. Unit	670,573	964,005
92. Postal and Telecommunications Training Institute	255,256	580,561
Total M.R.U.	3,225,829	4,127,292

BRITISH COUNCIL
TECHNICAL EDUCATION AND TRAINING OPERATIONS AND CONSULTANCIES GROUP

FINANCIAL ADMINISTRATIVE AND MANAGEMENT

TRAINING--

FOR

KENYA

(SUMMARY OF PROPOSALS AND MAIN ISSUES)

DR G W GLENTWORTH

BC/TETOC

15 March 1983

UK Circulation Only

T.2303

Introduction

This is a summary report, setting out specific proposals where possible and issues and possibilities in other areas where there is a need for further investigation. If the specific proposals are accepted by the British agencies concerned, this report will be followed by a fuller version giving more of the background and presented in a suitable form for transmission to the Kenyan Government. Distribution of the present report is intended to be:

London: ODA - EWAD

British Council - TETOC

Nairobi: BHC

EADD

BC

USAID (through BHC/BC)

Garth Glentworth

14 March 1983

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I AREAS EXAMINED

1. The fourth priority sector in UK Aid:
"management and financial administration" (aid policy paper
"government accountancy and public service management"
(country key sheet)

This I have divided into:

- (a) Accountancy, Auditing and Financial Management
 - (b) Strengthening Public Administrative Capacity
2. Management development and training aspects in the other three priority sectors: agriculture, transport and communications, and energy.

At present this is still linked with questions of management training for para-statal and private sectors generally. Sectoral management training is a case study of the problems facing management training in Kenya.

II CONTACTS

3. The primary aim in this visit has been a general survey of possibilities. Hence contacts have been as wide-ranging as possible.

Kenya Government Ministries

Office of the President
Directorate of Personnel Administration
Provincial Administration and Internal Security
Ministry of Finance
Ministry of Higher Education
Ministry of Labour
Directorate of Industrial Training
Ministry of Local Government
Ministry of Transport and Communications
Staff Training Centre
Ministry of Economic Planning and National
Development
Office of the Controller and Auditor-General
Provincial Administration
Central Province
Nyeri, Laikipia and Isiolo Districts

Training Agencies

Kenya Institute of Administration
Kenya Institute of Management
Maseno Government Training Institute
Federation of Kenya Employers.

Para-Statal and Private Sector

Kenya Railways
Kenya Breweries
East African Industries
Kenya Shell
Githongo and Company
(Kenya Institute of Certified
Public Accountants)

Aid Agencies

IBRD Regional Office
Education Division
USAID Country Office
Projects and Agricultural Divisions

4. Several visits were made where specific proposals have been defined. Close contact was built-up with Sunit Roy in the Ministry of Finance who occupies a key position in the accountancy and financial management field.

III THE APPROACH

5. 1. Start with immediate, urgent training needs where our assistance has been requested.
2. Build-up the right kind of training approach - practical, geared to needs of participant group, linked to improvements in systems.
3. Relate the different training areas to make them mutually re-inforcing.
4. Move to in-organisation training whenever possible.
5. Move to further direct manpower support eg long-term TCO's, specific consultancy and organisational change and development:

- once areas and forms have become clear through training experience
- once Kenyan opinion has accepted the need and potential advantages
- giving an opportunity for linkages (and hopefully coordinated packages) with other forms of UK aid to be developed.

IV ACCOUNTANCY, AUDITING AND FINANCIAL MANAGEMENT

6. Objectives

- to develop training capabilities in basic and professional accounting and auditing skills;
- to strengthen in-service capacities in these fields;
- to develop skills in financial management and control;
- possibly to lead onto and certainly to support efforts to improve procedures, systems and strengthen institutions in these areas.

7. Centres of Activity

Four centres which should in time become linked and mutually re-inforcing. I hope that BHC, EADD and BC will help bring the UK resources together. Sunit Roy of the Ministry of Finance should be brought in on any joint meetings.

(1) Kenya Institute of Administration

8. KIA fulfills a well defined role in offering accountancy and management/administrative training for the public sector - central and local government, para-statal - and to a very small extent the private sector. It is well established and well run.

Proposals (a) The recreation of a team of 3 British long-term (OSAS or TCO) accountancy trainers - 2 CIPFA and 1 CA or ACCA:

- to teach in the CPA(2) and (3) and CPS(2) and (3) courses
- to contribute to strengthening the KIA seminar/short course programme in accounting, financial control and financial management.

Three has been the intended strength of the British accounting training team in the KIA in recent years. One CIPFA lecturer is in post so two more will have to be recruited. Two facts of life in Kenya at present support this recommendation: that it is just not possible to retain CPA qualified Kenyans in public sector accountancy training - salary differentials and demand from the private sector are too great; that the KIA and the public sector generally fulfills a vital training function for the private sector through the transfer of manpower in key areas like accounting and engineering.

(b) The provision of short term support from a suitable British training institution to further strengthen the KIA's short course/seminar programme:

- up to 25 man weeks of annual support to allow contributions by around 6/8 UK specialists are recommended
- financial subjects will be the main subject matter including accountancy trainers workshops, but human resources management, marketing, production, supply management may also be included
- the development of in-company training and related consultancy work should also be supported by these inputs - KIA is already investigating possibilities with the Agricultural Finance Corporation and the Pyrethrum Board
- the first step should be a two week planning visit by 1/2 specialists designated as coordinators of British inputs from the institution identified: to plan a joint programme with KIA over a two year period 1983/84 - 1984/85.

The type of British resource required is a training centre with a range of management specialisms and a strong base in financial management and accountancy. Strathclyde Business School would be very suitable especially as they now have considerable overseas training experience.

(c) Opportunities for KIA training staff to undertake TOT or specialist study in the UK as part of a general Institute staff development programme:

- courses and TOT work in financial management and accountancy at Master, post-graduate Diploma or in-service (3/6 months) levels should be priorities
- suitable programmes are available at Strathclyde, East Anglia, Birmingham and Manchester Universities.

(2) Ministry of Finance

9. The Senior Financial Adviser - Budgetary and Financial Control (Sunit Roy) is to be joined by two further British Advisers in Internal Audit and Accounts Training in the next two months. This team should be supported in the development of training for the MF and eventually for other ministries.

Support could take a number of forms:

- additional long-term appointments may be required in the training field
- more likely is short-term assistance to help devise manuals and teaching materials and run courses
- opportunities for developing part-time and full-time Kenyan training staff.

Specific proposals should emerge once the two new Advisers are in post and have had a chance to assess the situation. Assistance should be on the scale of one additional training specialist and/or twenty man-weeks of short-term assistance annually and perhaps 4 TC Awards for trainer development.

(3) Office of the Controller and Auditor-General

10. The Office is being generally strengthened and as a part of this development is creating an in-service training division in its headquarters in KENCOM House. Three classrooms, a library and basic AVA facilities are nearly complete and the services of a Canadian expert in audit training have been made available for two years. The Controller and Auditor-General

needs additional assistance to develop training and strengthen his Office generally. The similarity in systems makes the UK the best source. Support could take a number of forms:

- an additional long-term appointment as a director of studies or combining a training role with a more general audit advisory position
- short-term assistance with manual and teaching material preparation and with planning and teaching new in-service courses
- help in developing a Kenyan training team of full and part time trainers.

The first step needs to be a two week planning visit by a British audit and training specialist: to assess training and related system development needs; to jointly plan a collaborative programme over the next three years 1983/84 - 1985/86.

11. The Controller and Auditor-General's Office will play a vital role in the GOK's efforts to implement the Ndegwa Working Party's recommendations on Government Expenditures. As such it is a key centre for British support. However the programme need not be a very large one: one long-term adviser and/or up to twenty man-weeks of annual short-term support with up to 6 TC Awards for the development of Kenyan audit staff may be the scale required. The potential pool of trainees is estimated at 400/450 and short tailor made in-service training courses are the objective.

{ A related request which I am passing on as it is outside by competence was also made by the Controller and Auditor-General. Part of the Office strengthening involves the creation of a Technical Audit and Monitoring Unit. The services of an experienced British quantity suveryor are requested for 3/5 years to build-up the technical competence of the Unit in monitoring all types of construction projects. The need for technical inputs in stopping the endemic Kenya problem of cost overruns in large projects is clearly established but such expertise is not available in the

CAG at present and difficult to find in the Kenyan public sector generally.]

(4) Kenya School of Accountancy and Finance (sponsored by the Kenya Institute of Certified Public Accountants)

12. The Kenyan CPA Institute and in particular its current Chairman, Mr Joe Githongo of Gitongo and Company the largest locally founded firm of accountants in Kenya, are anxious to establish a training centre for CPA students from commercial accounting firms. KIA and other public sector facilities at Maseno and Mombasa GTI's are over-subscribed already and do not offer the evening classes and day-release courses that the private sector prefers. The new School will replace the previous Accountancy Training Programme (ATP) Ltd which operated successfully until closed down last year by the Ministry of Higher Education.

13. Githongo and the Kenyan CPA have some way to go in bringing the new School into existence. MHE opposition is expected and the support of the MF will be crucial in overcoming this. Existing commercial training companies can be expected to object strongly to a new competitor which belongs to the main accounting firms. Nonetheless there is a strong objective case for the School: alternative training facilities are just not available in sufficient quantity and quality; the School's ownership by the main firms will ensure the right standards, contents and directions in training; commercial accounting firms play a vital role in financial management generally and not least in the troubled para-statal sector. From the particular point of view of British support for stronger accounting and financial management, the commercial (and in many cases British owned) accounting firms are a vital fourth element in a mutually re-inforcing strategy. DPM in the GOK strongly support strengthening for the commercial accounting sector, lessening the burden in training on Government and recognising the sector's importance to many GOK institutions.

14. The School is intended to be fully self-financing. However British support has been requested in getting it started:

- by the provision of an experienced British accountancy trainer (on TCO or OSAS terms or in some form of cost-sharing arrangement) as full-time Director of Studies for 2/3 years.

DPM would support the request and there are strong reasons for such an appointment with British support - if permission is obtained for the School to begin training. The Director of Studies would establish the credibility of the School, persuade any wavering firms to give their support and provide a firm start to actual training. Self financing will be achieved that much faster.

15. One factor that should influence the form of UK support in the financial sector and particularly to the Kenya School of Accountancy and Finance is USAID involvement in the field. USAID has already commissioned the Radnor-Chapman Report on management and financial training in Kenya and is contemplating initiatives in banking, accountancy, insurance and financial services training with special emphasis on the private sector. Close coordination between British and American support is essential and perfectly possible.

Summary: Key Objectives in the Financial Field

16. The four centres of activity are valuable in themselves, but will make correspondingly more impact to the extent that they can link-up and become mutually supporting.

17. Procedural, system and organisational reforms are both essential follow-up and complementary developments to training. But the training programme is essential: in identifying and defining system problems; in exploring possible solutions; and in building awareness of problems and support for reforms among civil servants and managers.

V STRENGTHENING PUBLIC ADMINISTRATIVE CAPACITY

18. The starting point in this area is the training programme for District Commissioners. This will be useful in itself. But a real increase in effectiveness in district and rural administration and development depends on the extent to which other officials in provincial administration and local government can also be given improved training. As in the financial field, training may also lead onto system development and organisational reform.

(1) Training for District Commissioners

19. Professor Davey of ILGS Birmingham will be producing a detailed set of proposals. The outline two-stage programme is as follows:

- 12 weeks in the UK based on ILGS for groups of 15 DC's;
subject coverage: general management, financial management, development project planning and appraisal, rural development and project management, comparative study of provincial administration and local government, contacts with UK local government and possibly other European local government systems
- after a two week break a four week second stage based on KIA;
attempting to apply the lessons of the first stage to Kenyan conditions, practical problem analysis, visits and field exercises, seminars with GOK departments and ministries
- four programmes of this type are likely over the next two/
three years, the first beginning in September 1983 with
timing thereafter depending on Kenyan elections in 1984
- programmes will be jointly run by ILGS and KIA; two KIA
lecturers will participate in the UK component as members
of the training team while two ILGS staff will join the KIA
in organising the second phase of four weeks

- preparatory work for the first programme will involve 2 ILGS staff in Kenya for a total of 8 weeks, probably in July 1983
- evaluation and monitoring of the first programme may produce changes in later approaches and material.

20. The overall aim is to improve the preparation of DC's for their crucial role in administration and development, which is to be further expanded by new decentralisation arrangements to be introduced on July 1st 1983.

(2) UK Study Tours for Provincial Commissioners

21. PC's are an equally vital factor in administration and development as DC's. There is a need to expose them to some of the material in the DC's programme, building their understanding and support for any changes that may be required. This can best be done:

- by offering 2/4 week study tours for PC's to the UK: spending time at ILGS (especially if visits coincide with DC courses), visiting UK local and central government, studying specific issues and problems
- single PC's could undertake tours though there would be advantage in small groups of 2/4

22. Tours should be funded by ODA as an integral part of the DC's training programme. Organisation should lie with BC/TETOC, ILGS and BC Special Visitors Section. Though it remains to be seen whether GOK will feel able to release any of the 8 PC's, the offer should still be made.

(3) Improved Training for District Officers

23. DO's already have a well developed series of training programmes at the KIA. As the DC's programme develops, it is likely that new material and approaches could with advantage be adapted and integrated in KIA courses such as the Advanced Public Administration Course or its proposed successor

the Executive Development Programme

- provision should be made in 1984/85 and possibly 1985/86 for up to 10 man-weeks of UK inputs into KIA training programmes for DO's; detailed planning should emerge from DC training progress
- inputs may consist of direct teaching, course planning and reorganisation, teaching material and case study preparation.

(4) Urban and Rural Local Government Training

24. The essential complement to provincial and district administration in Kenya are town and rural district councils and officials. KIA is in the process of developing a new range of courses for such officials within its newly re-designated Department of Regional and Urban Studies. American assistance is to be forthcoming in housing and estate management, but British help has been requested in urban management and planning, local government financial management and control and solid waste management (rubbish disposal). There is again the strong argument about basically common systems and approaches.

25. If financial resources permit, I would recommend British support for the development of local government training at KIA. Training in this area should also in time spread out to the Maseno and Mombasa GTI's (Government Training Institutes), to reach more local councils perhaps as team training on an in-company basis.

- up to 12 man-weeks and 4 UK specialists would be suitable annual targets in the 1983/84 - 85/86 period
- activities might include: course design; teaching material and case study preparation; pilot teaching of courses and seminars
- collaboration might spread across three fields mentioned initially: urban management, urban planning, and solid waste management
- detailed plans should be drawn-up during a two week planning visit by a British local government training specialist later in 1983.

(5) Staff Development: KIA, Maseno and Mombasa GTI's

26. Provision has already been recommended for training staff development in the Accountancy, Auditing and Financial Management fields. Similar limited support is required in public administration

- up to 6 TC awards annually for KIA and 3 each for Maseno and Mombasa should be made available for staff development in the UK
- Masters Degrees and Diplomas in priority areas are likely to be the main requirement
- requests should come from the three institutions in the normal way through DPM, though priority should be given to their requirements within the public administration category of training awards.

27. Consideration may be given at a later stage to the possibility of shorter (4/6 week) study tours in the UK for Principals and Heads of Departments in the three institutions. However DPM will need convincing that these have a specific purpose and is unlikely to support such tours without very carefully defined objectives.

(6) Support for DPM High-Level Seminars

28. From time to time DPM runs specifically focussed high level seminars on topics of current interest to the public service. Organisation is the responsibility of the Under-Secretary (Staff Development). The influence of the Office of the President, the topical nature of the subjects chosen, the short duration and the infrequent occurrence all contribute to a substantial impact for the seminars.

29. Were DPM to think it appropriate, UK participation in such seminars could be very valuable. Positive consideration should be given to support for such participation from the TC programme. The implementation of the Ndegwa Working Party recommendations which will exactly parallel recent British efforts to improve public service efficiency would, for example, provide very interesting subject matter for a high level civil servant

seminar in Nairobi.

(7) System Development and Organisational Reform

30. The right pattern of training would not be being offered if it did not help to identify areas of potential reform and suggest methods of improvement. Direct British manpower assistance or consultancy might follow early training efforts or become the eventual complement of training. If such requests were forthcoming from GOK then there would be a very strong case for a positive response.

31. One area where external involvement might help is in making a practical reality of the new moves to decentralise to district levels. These are likely to involve much more than the issuing of administrative circulars. An internal research and consultancy unit within the Provincial Administration and Security Department of the Office of the President might, for example, be very useful.

32. What needs to be stressed however is that the awareness of the need and the desire for British involvement must be present on the Kenyan side. This is not the case in many areas at present, which would not welcome direct offers of help as yet. Training can help in preparing the climate of opinion for collaborative reform efforts.

VI MANAGEMENT TRAINING: AGRICULTURE, TRANSPORT
AND COMMUNICATIONS, ENERGY

[Management training for para-statal and private enterprise: a case study]

33. Requirements

- (1) Kenyan training institutions through which to offer training to sector management personnel.
- (2) Training needs analyses of key management groups in the sectors.
- (3) Commitment from Kenyan training institutions and sector agencies to a focus on sectoral management training.

34. Assessment As the visit worked out, I made least progress in this area. I set out to survey existing management training agencies and (apparent) policy-making agencies and found the picture to be an extremely complex and uncoordinated one. I was able to assess the main developments in management training in Kenya, identify the options and problems for British assistance and suggest a pattern for British aid if certain conditions are met.

35. Training Institutions in Existence

KIA: wishes to expand to cover more of the private sector

KIM: respected but suffers from a declining reputation, absence of effective Kenyanisation

Federation of Kenya Employers: entering the training field in personnel management, industrial relations (precisely defined to put across the right "attitude" to managers) with ILO/NORAD support.

Private Consultancy/Training Agencies: very mixed reputation, profit-making (unlike KIM their main competitor), politically well-connected but quickly discredited.

Kenya Education Staff Institute: IBRD funded to develop training of educational administrators and management training for headmasters.

Kenya Polytechnic)
University of Nairobi) some in-service training involvement

East African Staff College: previously run by DPM now by KIA - high level management training

Management Training and Advisory Centre,

Ministry of Commerce (now Kenya Institute of Business Training)

reputedly in difficulties over its budget

Cooperative College, Karen

Bankers College

American International University -

Graduate School of Management

All of these are in existence. Most are small with few permanent staff, use the same pool of part-time staff and run short ad hoc programmes.

36. Proposed New Developments

IBRD sponsored pre-investment study of Business Education in Kenya:

being carried out by an inter-ministerial working party, secretariat in Ministry of Higher Education. Report due in June 1983. Aiming to be a comprehensive study of organisation and coordination, cost effectiveness, new directions and new institutions required. World Bank will only have money for implementation in the 6th Education Loan - timing and contents as yet undecided. Proposals may be put to Bilateral Donors.

Graduate School of Management: Originally a regional ECA inspired concept, but with Ismaili Community interest and reputedly multinational support. Intended as a comprehensive high level institution. Status, relationship with University of Nairobi as yet undefined. GOK apparently contemplating at Cabinet level commissioning a feasibility study. Current organisational focus - Ministry of Higher Education.

USAID - suggestion for a Kenya Institute for Bank and Finance Management:

could have some management components with KIM and KIA.

Possible Sectoral Management Centres: such as the one Kenya Railways wish to create after the World Bank funded manpower development consultancies they are expecting.

37. Policy-Making/Controlling Agencies

DPM, Office of the President: small and apparently without appropriate legislation to back a controlling role. But with enormous influence.

Directorate of Industrial Training, Ministry of Labour: involved in management and supervisory training through the Training Levy System. Some power because of the finance involved and legislative backing.

Ministry of Higher Education: involved in licensing and recognising institutions that want to award examinable qualifications.

There is no National Management Training Council or other coordinating or vetting body, though the IERD Business Education Study is likely to recommend one (or even a Ministry of Manpower Development).

38. Options for UK Involvement

1. In spite of its problems over Kenyanisation and staff retention, KIM gets almost unanimous support as the institution to support. Informed Kenyan opinion sees it as well-established, well-known, non-profit making, 'owned' by the 215 Kenyan public and private companies. Its current problems are eminently soluble, especially with external assistance and credibility from somewhere like the UK.

2. A revitalised KIM could be an excellent base for sectoral management training, drawing in specialists in the sectors from Kenya and abroad with experienced core staff.

3. One dilemma is whether a major new management training centre might suddenly appear with international sponsorship to overshadow and supplant KIM. The IERD Pre-investment Study might produce one (though if there is no World Bank money this is unlikely), the Graduate School of Management might appear funded by LONRHO and the Aga Khan.

3. This possibility calls for: possible delay in any large-scale British assistance until the IERD Study is completed and published; more efforts to find out the state of progress on the Graduate School of Management; close liaison with USAID (Satish Shah - Head of Projects Division), IERD (Education Projects Staff, Nairobi Regional Office) to ensure various

initiatives are complementary.

4. Surveys in the different key sectors of management training needs along with more general manpower development needs will be very helpful. But they should take place without commitment to the type of institutional framework required to carry out the training. Sectoral Management Centres have advantages in immediate relevance and direct responsiveness to sector needs. But they can suffer from small-size, under-funding, shortages of trained staff, unattractive career structures and eventual loss of credibility in the sector. Kenya may not be able to staff or afford such centres in the foreseeable future and care should be taken not to create institutions that will collapse when external support is withdrawn.

39. Possible Support for KIM

1. Desirable conditions before KIM could be the subject of UK support are:

1.1 Clear recognition by DPM, the Directorate of Industrial Training and Ministry of Higher Education that KIM is the main management training institution, as far as GOK is concerned, to be developed for the para-statal and private sectors.

1.2 Determined efforts by external donors to coordinate their assistance. In the near future this is likely to mean USAID and ourselves. Preliminary discussions indicate agreement that KIM should be supported by us both.

2. If these conditions are fulfilled then an agreement along the following lines might be set-up with GOK backing but not actual participation.

ODA (with USAID) provides:

2.1 One full-time Director of Training for 2/3 years: to help develop the training programme (with special emphasis on sectoral

training) and provide credibility with multinationals.

2.2 Short-term assistance from the UK and USAID to develop and teach new programmes.

2.3 TOT awards for newly recruited Kenyan staff.

2.4 Small amounts of training equipment, library material and AVA's.

The Council of KIM would then provide:

2.5 Sufficient funds to hire one or two reputable, well-known Kenyan training specialists or business executives to take over from the current Chief Executive and Training Executive. (Alternatively it may be possible to persuade a Kenyan company or multinational to second an appropriate executive for 2/3 years until training revenue builds up. Kenya Shell has the perfect choice currently as its Manpower Development Manager, considerably under utilised looking after 800 employees in total.) Credibility in Kenya would be helped by these appointments.

2.6 Sufficient funds to rent more adequate premises, at least to accommodate the expanded staff and library.

2.7 As training revenue built-up, additional posts for Kenyan training staff, say up to 6 in total.

3. As an interim measure for KIM as it is an effectively functioning management training institution and has looked and continues to look for British help, I would recommend the following short-term assistance in 1983:

- the provision of one TC fellowship for a specially designed two month UK training programme for one of the two Kenyan members of staff

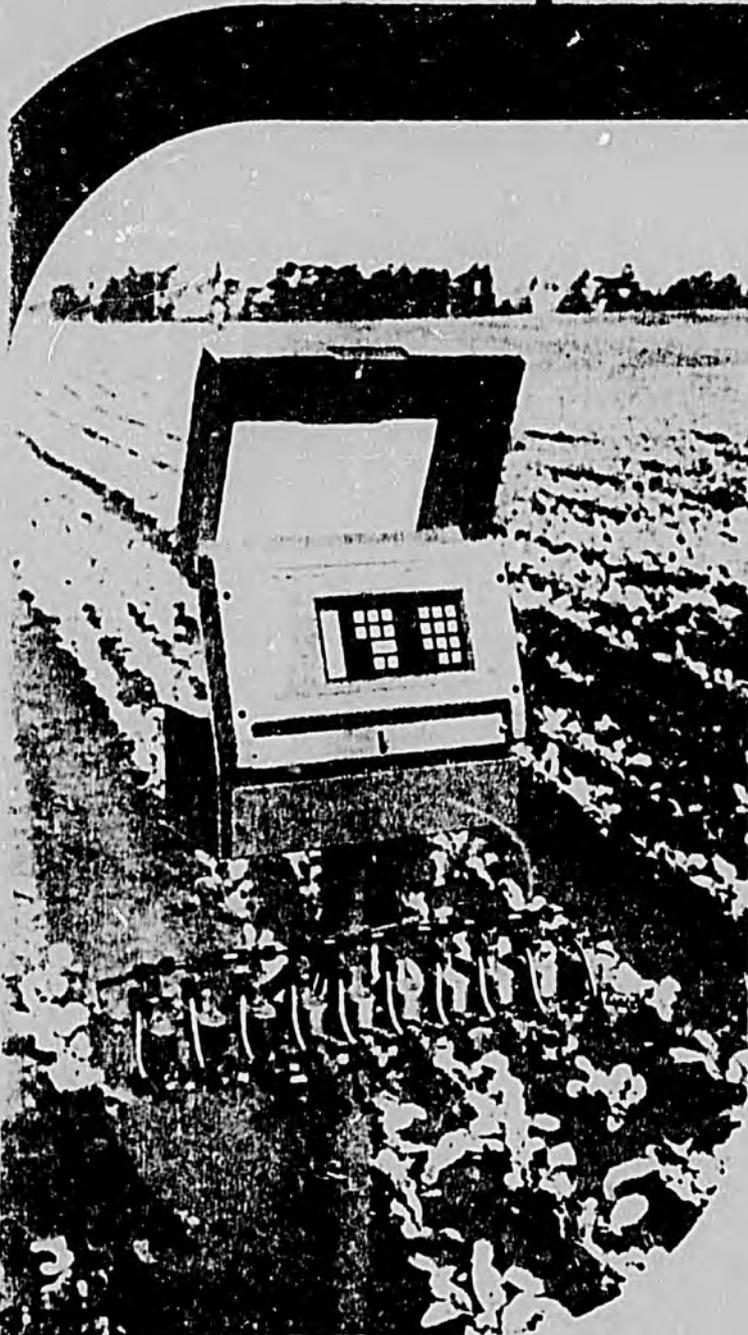
- five man-weeks of support for a consultant from the Industrial Society to conduct a series of Action Centred Leadership Seminars in Kenya, probably in May of this year.

These will be valuable both in themselves and as a holding operation with KIM until long-term developments become clearer.



MOTOROLA ISRAEL LTD.

No. 1 In computerized irrigation



MATAROL 2000 SYSTEM FOR SMALL TO MEDIUM SIZED FARMS

Motorola Israel Ltd., No. 1 in the world for computerized irrigation control systems and with over 10 years experience in their design and development, has a family of systems to suit the needs of every farm from one acre to thousands of acres. Around the world 200,000 acres of irrigated land are under the control of our systems. To date, systems are in operation in Israel, U.S.A., South Africa, Australia, Italy, Spain, Greece, Ecuador, Argentina, Colombia, Puerto Rico and the Canary Islands.

• THE MIR 1080 SYSTEM

The MIR 1080 system is intended for use by large farms or golf courses. In the case of farms, the areas to be irrigated may consist of many fields scattered over large distances with complicated piping systems. With golf courses, one, two or more may be controlled depending on their layout and the distances between them. The system consists of a control center and field units connected to the center by a single three-core cable supplying the operating power and carrying the command and control data.

• THE MATAROL 2000 SYSTEM

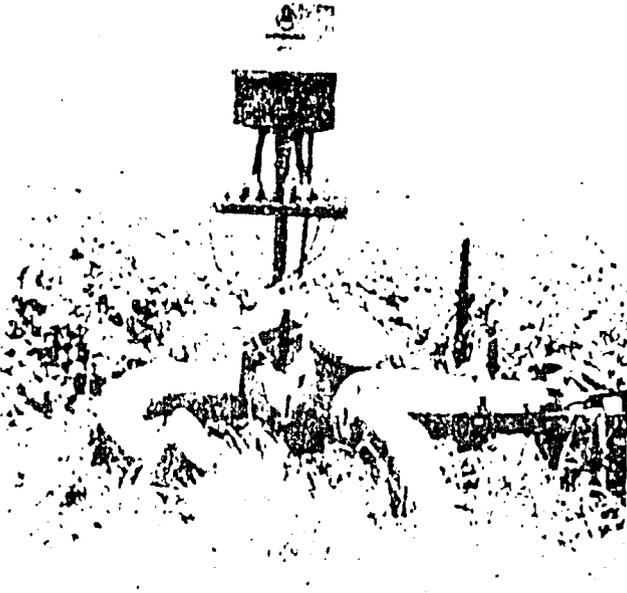
The MATAROL 2000 is Motorola's answer to the computerized control of small to medium sized irrigation systems. The system suits the requirements of both open field or greenhouse installation. It is an independent system which is installed close to the irrigation system it controls. It is ideal for nurseries, groves, orchards, vineyards, plantations and vegetable plots.

With both systems all irrigation-related information is stored in the computers - water and fertilizer quantities, pressure limits, flow rate limits, windspeed, air temperature and soil humidity limits. The computers receive measurements of this information from sensors in the field and the irrigation programs modified accordingly. The computers control pumps, boosters, valves, fertilizer injectors etc., according to the irrigation program, or as an emergency measure due to some abnormality detected by the sensors.

• BENEFITS

The benefits derived from these systems are many. Higher yields result from accurate quantities of water and fertilizers being applied, crop protection during heatwaves and frost and the uniformity of the water application due to pressure and windspeed monitoring. Water and fertilizers are saved due to the accurate measurement of the quantities for application. Water is saved since leaks, bursts and blockages are detected and wastage is prevented. Labor is saved, since all control functions and data collection are done remotely without travelling to the field. Energy is saved by using off-peak, night time energy and by operating boosters and pumps only according to the system needs and not indiscriminately. The systems so far installed justify themselves economically and cover their investment within two years of being fully operational.

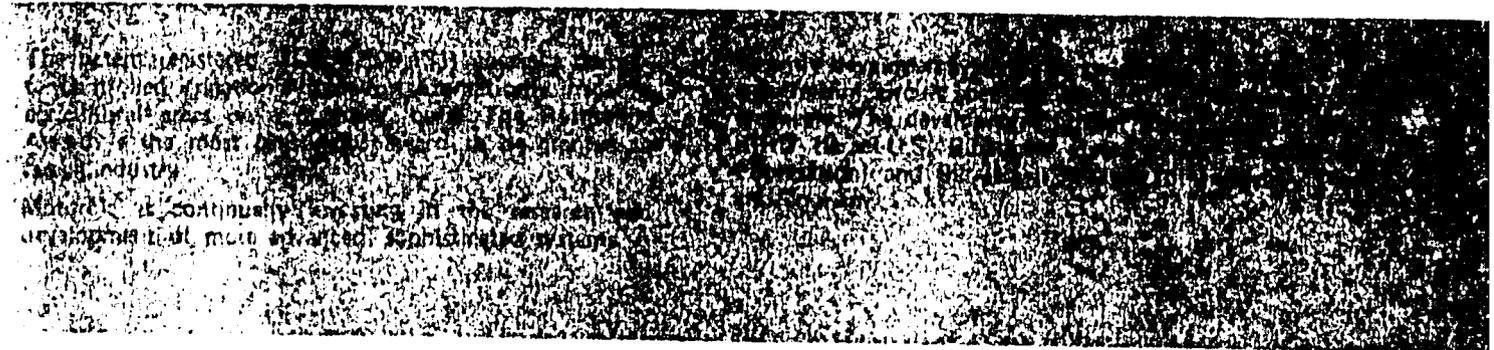
Motorola's outstanding achievements in the sphere of irrigation control systems include the registration in the U.S.A. of a patent and receiving the 1980 Rothschild Award to Industry.



MATAGOL 2000 UNIT, DETECTED FOR MATAGOL SYSTEM



MATAGOL CONTROL CENTER FOR LARGE FARMS AND GOLF COURSES



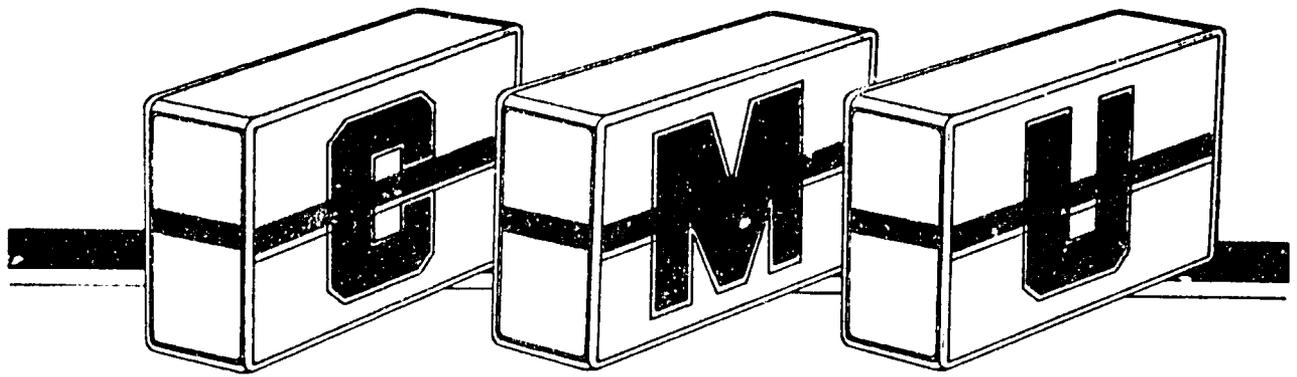
The Matagol 2000 system is a highly advanced system for the control and management of large farms and golf courses. It is designed to provide a comprehensive solution for the irrigation and fertilization of the crops. The system is easy to use and provides a high level of accuracy and efficiency. It is a must-have for any large farm or golf course looking to optimize their operations and reduce costs.



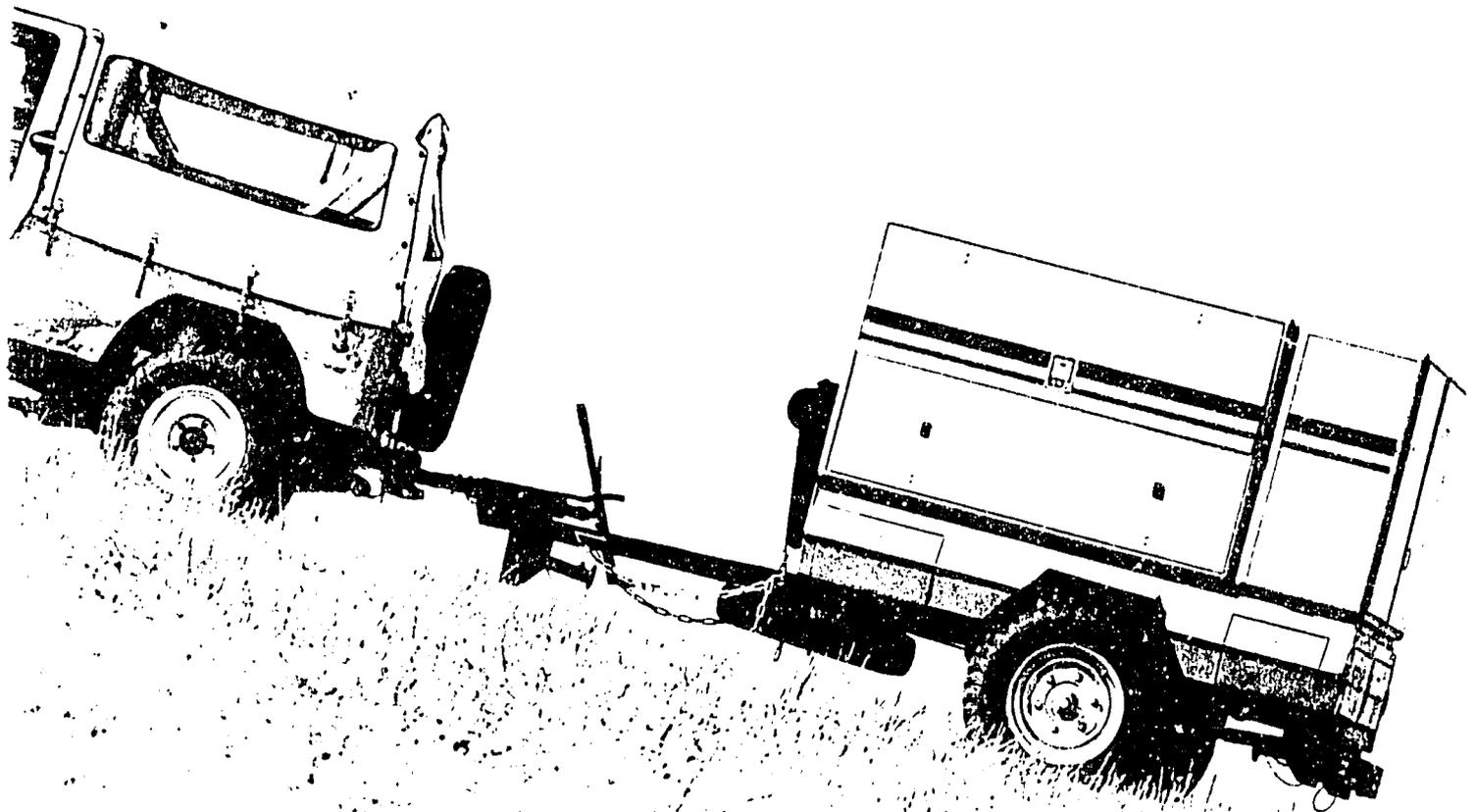
MATAGOL 2000 IN THE USA



MATAGOL 2000 IN SOUTH AFRICA



Compact Mobile Units





Improving the Quality of Life

Technology has changed the way the world works. In emerging nations and advanced countries: in remote districts and metropolitan areas.

To function in today's technical world people need new skills. Skills that will improve their own quality of life while integrating their community into the modern world. Skills that can be acquired only through technical training programs, customized to meet changing needs and current budgets.

Bringing Know-how to the People

More and more, mobile training programs are proving to be a cost-effective answer to the need for new and improved skills. Because mobility means that maximal quality technical training can be extended at a cost that may be shared by many agencies and communities. And because no advance on-site preparations or investments are required, overhead is reduced to a minimum — while programs are targeted only at real needs.

The CMU Offers Almost Endless Combinations

Now the concept of mobile training and services has taken on an added dimension of versatility and flexibility with the introduction of the COMPACT MOBILE UNIT (CMU).

The CMU is comprised of three *REMOVABLE AND TOTALLY INTERCHANGEABLE* Training or Service Modules and one central storage compartment, all mounted on a trailer that is only 3.7 x 1.8m (12'3" x 5'11"). Each Module is a complete technical training unit, no additional equipment is required.

• Modules Can Remain Mounted or Be Removed

The unique design of the CMU permits the rugged trailer to be safely towed and maneuvered over the most difficult terrain by many types of conventional vehicles.

Once on-site, the Modules can remain mounted on the trailer or one or more Modules can be removed and left on location.

CMU Modules Have a Broad Range of Applications

CMU Modules can be used for technical and agricultural training programs or as maintenance/repair centers for remote districts. The Modules can easily be adapted into health education centers or medical units.

Military Training Modules can be suited for strategy sessions debriefings as well as short refresher courses.

Among the disciplines and subjects covered by the modules are:

- Agro-industries.
- Agriculture.
- Building Trades.
- Industrial Trades.
- Mechanics.
- Health Education.
- Social Services.
- Military Applications.

A special Audio-Visual Module can serve as a complement to the standard Training Modules as well an entertainment center.

Training Modules contain didactic materials and software tailored for the specific subjects.

82

Workshop Modules carry equipment for the maintenance of all types of machines, vehicles and buildings.

Each Module is Integrated and Self-Sufficient

Technical skills development is achieved through hardware and software integrated into step-by-step program, which instructors find easy to transmit and students easy to absorb.

Bringing Didactic Material to Life

The Audio-Visual Module contains a magnetized blackboard, an overhead projector, a slide projector, a Super-8 or 16mm film projector and a roll-up screen.

Optional equipment include a video-tape system.

Each Module is hermetically sealed and protected against dust and water and all equipment is securely fastened.

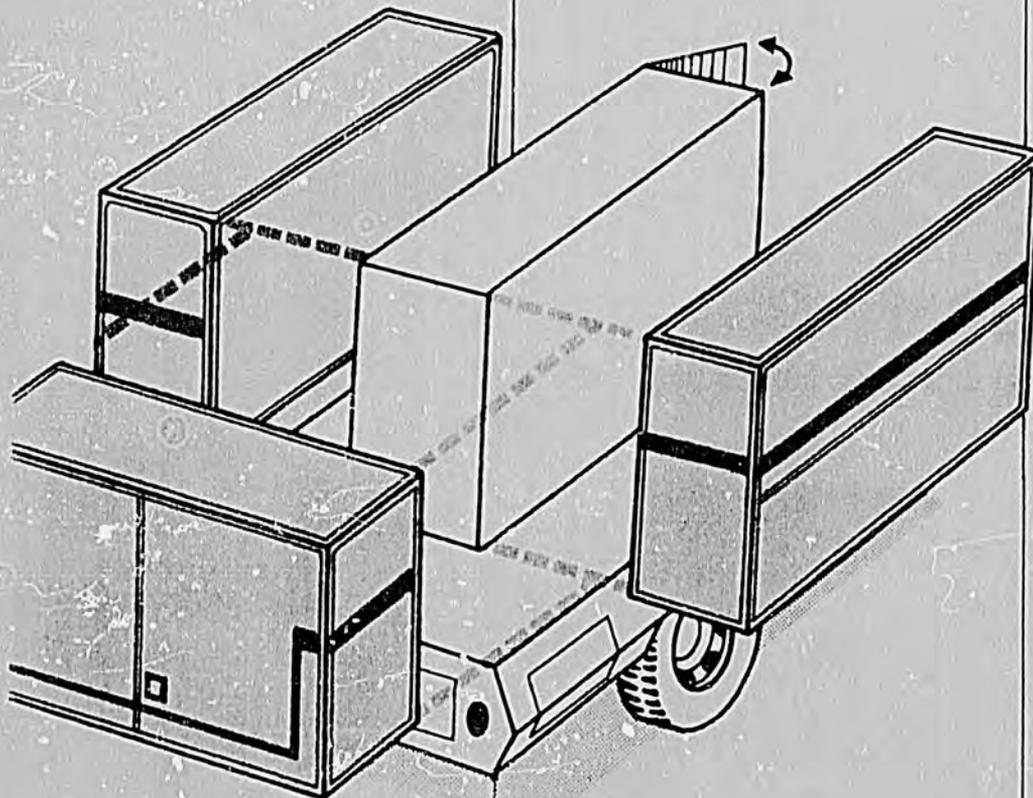


Years of Smooth Maintenance-Free Service

CMU Modules are constructed of sturdy aluminum coated with baked-in chip-resistant paint. Standard colors are yellow or beige. Other colors, as well as special symbols and insignias, can be supplied upon request.

The single-axle trailer can transport loads of up to 1800 kg (3960 lbs). Special eccentric locks secure the Modules to the trailer, and open easily for unloading. Heavy-duty trailer shock absorbers further enhance damage-free transport performance.

Each CMU is furnished with a full-range of transportation safety devices which conform to stringent military standards and European road regulations. These include specifications for brakes, signal and parking lights. Every CMU has two taillights, one registration plate light, with 12V supplied by the towing vehicle.



Spacious Storage and Convenient Electrical Outlets

Lower compartments built into the trailer can store tent poles, ropes and additional tools. Together with the central storage compartment, these areas provide ample space for options.

Once on-site and parked, three telescoping parking jacks are lowered to stabilize the trailer. Built-in light fixture, provide adequate illumination inside the CMU Modules while several electrical sockets permit connection of various tools and machines to the power supply, and illumination for the tent.

The lower half of each side of the Modules folds down, serving as a functional work bench.

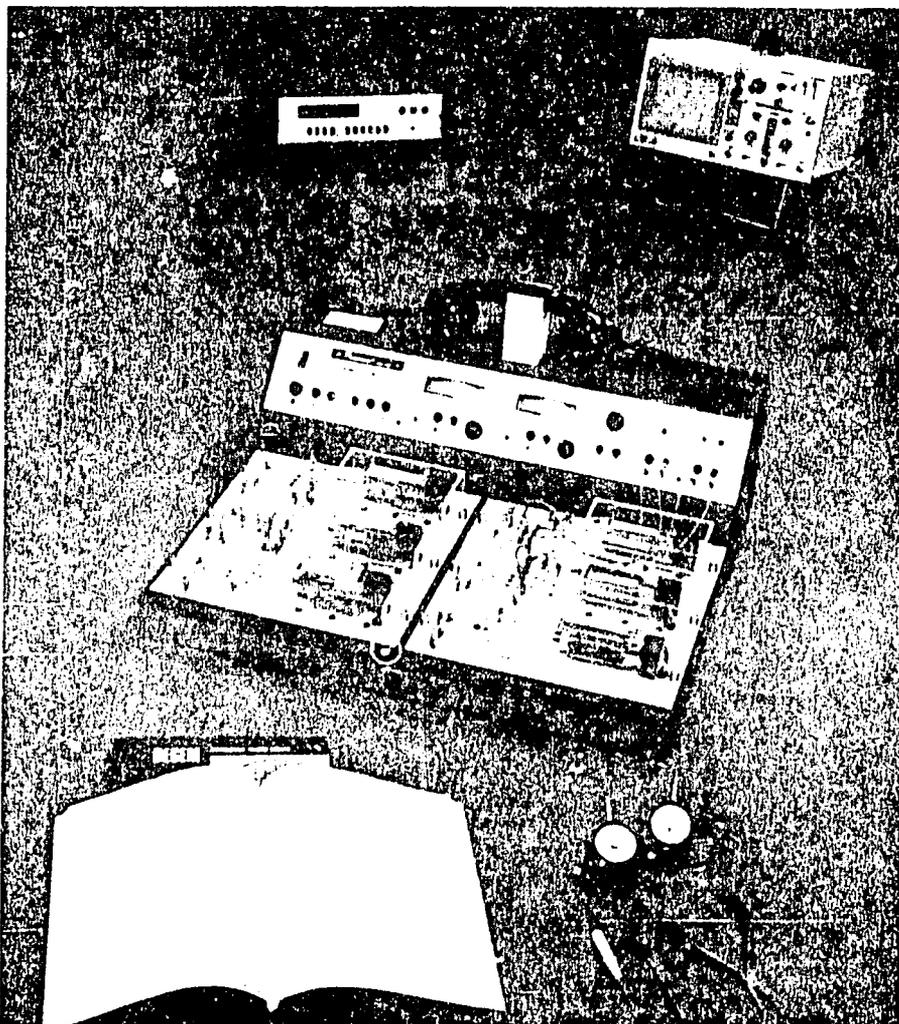
The purpose of the RLT-1 Telephone Relay Training System is to demonstrate the operation and application of the various types of relays used in the telephone industry.

Despite the fact that most modern telephone and Telex exchanges utilize electronic circuitry for selection and call processing, the switching element continues to be an electro-mechanical relay.

The relay is used for the control of circuit components, other relays, and for converting current or voltage pulses.

The RLT-1 can be used in a stand-alone capacity, as part of a Basic Telephony Course and/or a more comprehensive Telecommunications Training Program.

RLT-1 TELEPHONE RELAY TRAINING SYSTEM



 **DEGEM**[®] SYSTEMS

<p>DESCRIPTION</p> <p>The RLT-1 System consists of seven modular plug-in units:</p> <p>RLT-1/1 Standard 3000-type relay.</p> <p>RLT-1/2 Quick operating and release, 3000-type relay.</p> <p>RLT-1/3 Slow operating and release, 3000-type relay.</p> <p>RLT-1/4 Standard flat relay.</p> <p>RLT-1/5 Flat latch relay.</p> <p>RLT-1/6 Relay adjustment unit.</p> <p>RLT-1/7 Thermo and reed relays.</p> <p>Using these plug-in units the student learns the structure and operation of each type of relay.</p> <p>SUBJECTS</p> <p>The RLT-1 System covers the following subjects:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Structure of the relay. <input type="checkbox"/> Coil characteristics. <input type="checkbox"/> Types of contacts. <input type="checkbox"/> Operate and release times. <input type="checkbox"/> Adjustment procedures. <input type="checkbox"/> Adaptation of standard relay to polarized circuits. 	<p>EXPERIMENTS</p> <ul style="list-style-type: none"> <input type="checkbox"/> 3000-type relay. Operating principles. Voltage and current limits during operation and release. <input type="checkbox"/> 3000-type relay in polarized circuit. <input type="checkbox"/> Balanced relay with two identical coils. <input type="checkbox"/> Non-inductive winding relay operation. <input type="checkbox"/> Comparison of fast and slow 3000-type relays. <input type="checkbox"/> Flat relays. Operating principles. Voltage and current limits during operation and release. Comparison of the various types of spring group contacts. <input type="checkbox"/> Flat relay adjustment procedure. <input type="checkbox"/> Latch relay operation. Operating principles. Voltage and current limits during operation and release. <input type="checkbox"/> Latching pulse, duration measurement. <input type="checkbox"/> Regular and latched relay application. Comparison of the two types in various circuits. <input type="checkbox"/> Operating a relay with the contact of another relay. Two-relay circuit. <input type="checkbox"/> Controlling with one switch. <input type="checkbox"/> Reed relay. Operating principles. Voltage and current limits during operation and release. <input type="checkbox"/> Various types of reed relays. Testing, operating and release voltage. <input type="checkbox"/> Thermal relays. Operating principles. Effect of operating voltage on relay operation. 	<p>MANUAL</p> <p>RLT-1 is supplied with a well-organized and readily comprehensible manual on theory and experiments. The manual incorporates the most up-to-date material prepared by experts in the field.</p> <p>REQUIRED MEASURING EQUIPMENT</p> <p>The following equipment are required for performing the experiments:</p> <p>20 MHz Dual Trace Oscilloscope DEGEM Model 112</p> <p>Digital Multimeter DEGEM Model 120A</p> <p>REQUIRED ACCESSORIES</p> <p>Master Board (including Power Supply) DEGEM Model MB-2T</p> <p>Standard Set of Patching Cords (2/2 mm) DEGEM Cat. No. DL-2</p> <p>Complete Set of Adjustment Tools</p> <p>TECHNICAL SPECIFICATIONS FOR MASTER BOARD</p> <p>Voltage 220/110V</p> <p>Frequency 50/60Hz</p>
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Another Quality Product From
 **DEGEM** SYSTEMS

For further
 details
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The POULTRY MANAGEMENT TRAINING MODULE and the accompanying Training Programs have been especially developed to provide in-field training for farmers and agricultural students in more efficient and effective methods of poultry management.

It is ideal for agricultural schools, field training centers or as a part of a rural development program.

The MODULE and Training Programs have been designed to aid farmers in achieving the following key objectives:

- 1) Improve Poultry Management procedures and methods.*
- 2) Lower mortality rates.*
- 3) Increase productivity — i.e. more eggs per chicken.*
- 4) Improve breeding management & procedures.*

MODULE

The MODULE is a self-contained training system fully equipped with all necessary training tools and actual farm equipment used in Poultry Management. The didactic materials (software) include student textbooks, manuals, slides, etc., designed to aid the teacher in his instruction. The farm equipment and hardware consist of a broad range of instruments necessary to cover both basic and advanced Poultry Management.

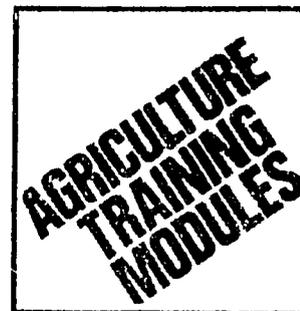
The MODULE itself can be utilized in either a stand-alone capacity for use in a classroom or as part of our Compact Mobile Units for transport to a field or farm location.

TRAINING PROGRAM

The Training Programs contained in the MODULE can cover two major subjects: broiler management and layers management. Both comprise a series of specific topics including basic, anatomic identification and analysis of the chicken; the effect of climate; incubation, artificial insemination; diseases; hygiene; nutrition and much more.

POULTRY MANAGEMENT

R.1.A.-29



THE COMPACT MOBIL

The COMPACT MOBILE (CMU) is a completely self-contained educational system that can fit virtually any type of terrain and almost any environmental condition. A CMU contains three training modules and storage compartments for optional equipment. It is ideal for rural training programs, agricultural trade schools, military training workshops or scientific field

MOBILITY

The CMU can be easily towed and maneuvered by many types of vehicles, including a jeep, pickup truck or tractor.

Mobility means a cost-efficient method of geographically separating areas sharing equipment, didactic materials and trained instructors. A pre-determined rotational schedule will facilitate the resource sharing.

The uniquely designed CMU provides safe transport for the modules when they are moved to another locality or building.

VERSATILITY AND DIVERSIFICATION

The CMU may be purchased completely adapted and equipped with a number of educational training requirements depending on the specific modules ordered.

Each module comes supplied with hardware and software required for the study of a diverse range of subjects including:

- 1. **Agriculture (Basic and Advanced)**
- 2. **Soil Management.**
- 3. **Agromechanics.**
 - (a) Farm Equipment.
 - (b) Tractor.
- 4. **Cattle Management.**
- 5. **Poultry Management.**
- 6. **Plumbing.**
- 7. **Masonry.**
- 8. **Construction Electricity.**
- 9. **Audio visual:** contains the state-of-the-art hardware, including overhead, slide, and Super-8 film projectors, screen, optical equipment such as a magnetic blackboard and video-tape system. Software aids consist of student instructor manuals, posters, slides, films, transparencies, books, teaching aids prepared for an educational need.

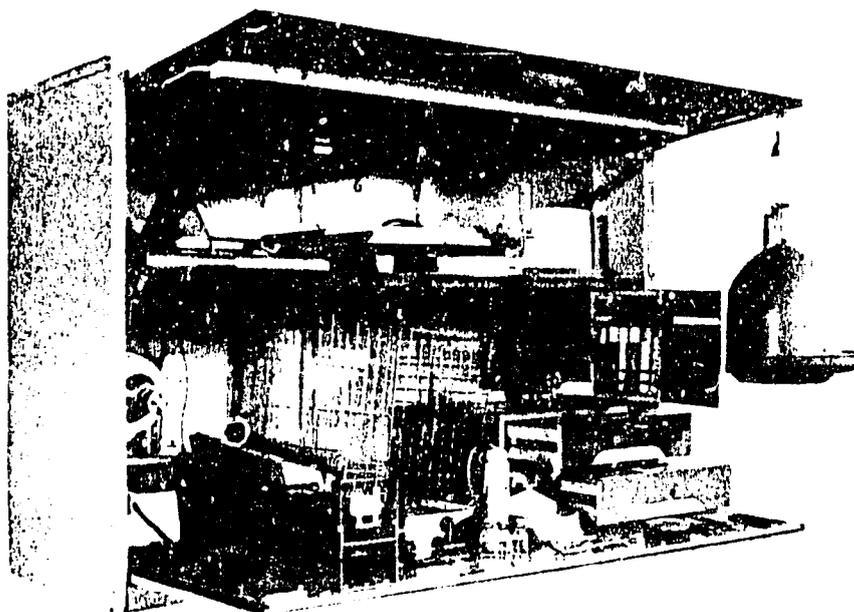
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SOFTWARE

The instructors' didactic materials include:

- 1. Instructors' manuals.
- 2. Student textbooks.
- 3. Set of color slides with synchronized tape presentation.
- 4. Sets of overhead transparencies.
- 5. Posters and transparencies preparation kit.
- 6. Wall charts.
- 7. Pointer.

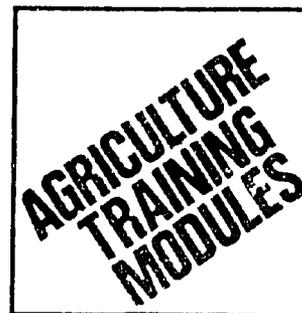


HARDWARE

- 1. Vaccination equipment.
- 2. Various manual and automatic syringes.
- 3. Special needles for Newcastle, Fowlpox and laryngo, vaccination.
- 4. Artificial insemination kit.
- 5. Dissection equipment.
- 6. Thermometers, hygrometer, feeding equipment.
- 7. Manual and automatic drinking equipment.
- 8. Debeaking equipment.
- 9. Sample building materials.
- 10. Live chicks scale.
- 11. Heating equipment and more.

USES AND ADVANTAGES

- 1. Make farmers aware of the advantages of raising poultry, particularly those in areas with limited agricultural potential.
- 2. Motivate small and medium producers to introduce advanced and more effective raising methods.
- 3. Train the farmer in the basic techniques of prophylaxis and veterinary care.
- 4. Bring modern training technologies to remote regions.
- 5. Enrich the source of animal protein in developing rural areas.
- 6. Create a foundation for the processing segment of the agro-industries.
- 7. Develop a stable and more diversified income base.
- 8. Create productive work for the farmer's family.



**POULTRY
MANAGEMENT**
R.1.A.-29



TRAINING PROGRAMS COVERED BY THE MODULE

Subjects	Exercises and Sessions
1. Anatomy and physiology of the chicken.	Identification, dissection and analysis.
2. Climate and its effect on poultry.	Observations, checking and measuring climatic conditions.
3. Buildings and equipment.	Planning a farm.
4. Broilers management.	Equipment and its uses.
5. Layers management.	Egg analysis; discussion.
6. Breeders management – Broiler type.	Equipment and its uses.
7. Breeders management – Layers type.	Equipment and its uses.
8. Artificial insemination.	Practice sessions.
9. Incubation.	Practice sessions.
10. Genetics and improving productivity.	Observations, checking and discussions.
11. Poultry nutrition.	Identifying raw materials.
12. Poultry diseases.	Analysis, vaccinations; other treatments.

TOAM is a sophisticated, computerized teaching system designed to train students of any age in the main teaching subjects. It provides a cost-effective method of drilling a large number of students simultaneously, each at his own learning pace.

TOAM optimizes the teacher's load by freeing him from the tedious and time-consuming task of preparing and correcting drills and exercises. The teacher can, thus, concentrate on either the teaching of fundamentals or providing individual student attention.

One TOAM system can be used by up to 32 students simultaneously and can serve a school of up to 1500 pupils during regular teaching hours.

*TOAM has been proven effective. Over the last 5 years, more than 15,000 students have learned with TOAM in more than 20 test-case schools. The results of studies conducted with these students have shown that their average rate of learning is more than double than that of their non-user peers!**

* See "Computer Aided Instructions" Dr. Luis Osin, 3rd Conference on Computer Education, Lausanne, Switzerland, July, 1981.



**TOAM
MODERN
COMPUTER
TECHNOLOGY
SERVING
PEDAGOGICAL
NEEDS**



89

MOTIVATION

TOAM improves the learning process. Slower-learning and passive students gain initiative and need not feel any embarrassment. Each student works privately at his own terminal and at his own pace. Only the teacher knows the pupil's difficulties by means of a periodic progress report.



SOFTWARE

TOAM utilizes a time-sharing operating system especially created for a pedagogical purpose. Computer Aided Instruction. It is not a computer-house spin-off or redesign.

Here are some of the TOAM's software features:

- At the beginning, each student is tested by the system to determine his level of knowledge in each topic.
- All student terminals function simultaneously and independently. The teacher can explain the concepts in class and the pupils can then drill and practice according to their own abilities and speed.
- Each pupil's progress is controlled. As he becomes more proficient in each subject of the curriculum and a certain percentage of any level's problems are properly answered, the student is automatically promoted to a higher level. Too many incorrect answers return the student to a more basic level with simpler problems until they are mastered.
- The teacher or other school officials may receive weekly status and progress reports on each pupil and class.
- When a particular problem arises, the system can diagnose the specific cause. Reasons for problems (lack of time to answer, particular areas of difficulty, etc.) are highlighted.
- Progress reports may be produced at any time on the teacher's terminal or in hard copy, print-out form.
- The system compiles statistics on each type of exercise and produces global progress activity reports.

CLASS REPORT

CLASS: 4E

1 12 81

NUMBER	NAME	C/S	SE	AVG	1	2	3	4	5	6	7	8	9	10	11	12	13	14
5013	LARRY QUINN	23/30	12	43	43	41	40	44	42	46	46	43	44	40	41	43	L	L
5025	BEN GRANT	12/14	12	53	55	H	H	54	55	52	54	H	51	52	49	52	L	L
5037	SIDNEY NORMAN	24/32	12	45	49	42	40	47	46	46	47	44	42	46	40	46	L	L
5049	LEE BANSON	15/21	12	49	52	H	H	52	51	50	52	46	48	46	45	50	L	L

5266	LEO KEIL	13/17	12	50	53	H	H	50	52	50	50	H	50	50	46	52	L	L
527B	RACHEL BRAUNER	25/30	12	54	57	H	H	54	57	57	H	52	49	52	54	L	55	
5280	LILLIAN SMITH	14/18	12	45	46	44	H	46	47	43	45	45	44	46	45	42	L	L

CLASS AVG. 12 48 50 42 37 47 47 48 49 44 45 45 44 51 L 53

28 STUDENTS IN CLASS

Another Quality Product From
DEGEM SYSTEMS

COURSEWARE

The system courseware consists of a set of generators, each generator being a computer program which produces exercises of a certain kind at different levels of difficulty. The exercises are grouped in a number of parallel strands (14 in our example below)* of increasing difficulty on the same topic.

The "level" appearing on the vertical axis determines what exercises are to be presented. For example, student 5013 has achieved an overall average score of 43. In strand 1, "Numbers", his score is 43 and in strand 2 "Horizontal Addition" he's reached a score of 41. He will now receive problems for a student at the 43 level in "Numbers" and the 41 level in "Horizontal Addition" and so on in each of the other strands.

* Note: Each subject has its own set of strands according to the needs of its curriculum.



HARDWARE

TOAM comes in 2 versions: TOAM I is floppy disk based and can accommodate up to 700 students. TOAM II is based on a hard-disk and is capable of handling up to 1500 students. TOAM I handles a maximum of 16 inter-active desk-top student terminals. TOAM II can handle up to 32 simultaneously.

Student Terminals

Each terminal is very simple and easy to operate, designed to increase the student's desire and motivation. They are highly reliable and accept maximum classroom use. Constructed with a rugged, brightly-colored plastic exterior, each terminal houses a small TV-like monitor and a set of functional keys which include all the appropriate numbers and symbols. For students learning a computer language, a full, detachable keyboard is provided.

Mini-Computer

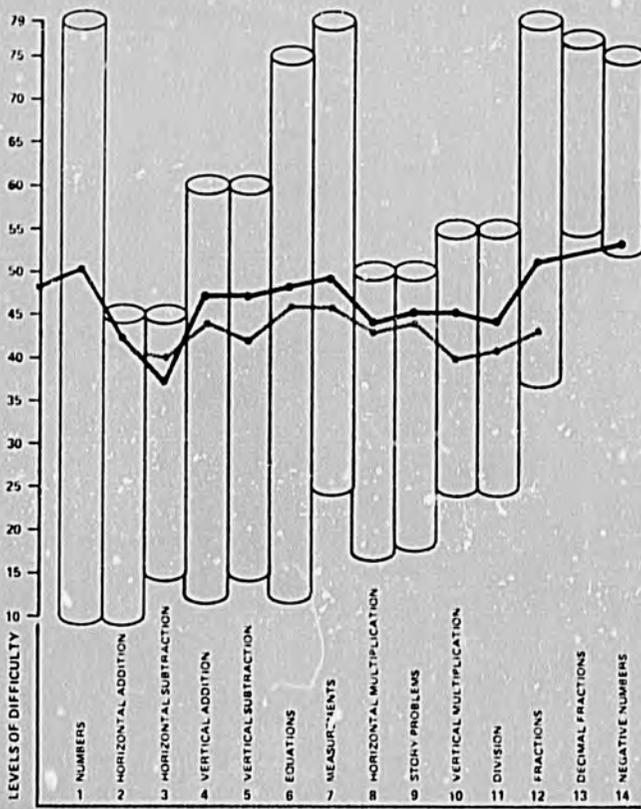
TOAM's mini-computer is automatic and pre-programmed for any standard school environment. The teacher needs no computer skills nor learn any in order to operate the system. Start-up each day takes a matter of seconds. Lessons are pre-loaded and called up by each student inputting his specific code number at his own terminal.

Memory

The system's high-capacity memory is capable of recording and storing registration information and the progress of hundreds of students. It automatically adjusts each day's lesson to the updated level recorded for each student in order to insure appropriate progress.

COMPUTER
AIDED
INSTRUCTION

TOAM
MODERN
COMPUTER
TECHNOLOGY
SERVING
PEDAGOGICAL
NEEDS



Distribution of Strands
According to Levels of
Difficulty in Arithmetic

CLASS
AVERAGE

1. The Problem

Small and medium sized private Kenyan firms tend to sell very little in foreign markets. Greater and more effective access to export markets could enhance the growth and success potential of certain of these enterprises. At this time, owners and managers of such enterprises lack both the knowledge and contacts necessary to determine the appropriateness of such markets and the know-how needed to implement and sustain programs to exploit such opportunities.

At this time no short courses in these areas are generally available in the country. The Kenya External Trade Authority (KETA) has offered longer term training programs in exports and international trade through the University of Nairobi, but these do not meet the needs of small to medium sized entrepreneurs, especially those from outside Nairobi.

II. Program Objectives

1. To identify key personnel from small Kenyan enterprises who could benefit from and would participate in training programs in export marketing.
2. To provide the indicated training program to such people, using content and methods appropriate to the identified audiences, and to be given at most feasible locations, times and costs.
3. To evaluate the program as a guide for similar programs which might be planned to support projects such as AID's rural private enterprises initiative.

III. Program Plan

Step I: Initial Market Study

Collaborating with the Kenya External Trade Authority (KETA), a modest survey will be undertaken to identify the following:

1. The extent, location and character of the demand for training in the exports area, and how best to access this demand.
2. The most appropriate content and level of the materials to be presented and teaching methods and instructors most likely to lead to successful results.
3. The best locations and timing for sessions.
4. The feasible range for charges to maximize impact within the limits of available resources.
5. Local resource personnel and organizations which could contribute to the planned program.

In addition to this general information needed for course planning, an attempt will be made to recruit possible participants for courses.

Since KETA is already planning a similar survey, the costs of collaborative efforts will be modest.

Step II. Courses

Initial plans (to be finalized following the Step I survey) call for single five-day courses to be offered three times to groups of about 20 participants at locations around the country. Nairobi, Mombasa and Kisumu are tentatively targeted. The courses will be organized and given in

collaboration with the Kenya Institute of Management (KIM). KIM will be responsible for course administration, invitations, housekeeping, etc. The program content and methods will be determined in collaboration with KETA.

Course Content (tentative)

1. Basics of marketing and exporting
What is involved? Why export?
2. Understanding export markets, trade information, market research, forecasting demand, planning.
3. Product adaptation, packaging, standards for export markets.
4. Pricing, export costing and pricing sheets.
5. Salesmanship and sales management, sales agents, trade fairs and exhibitions
6. Distribution channels
7. Exports administration, licences, insurance, credit, documentation, bills of lading.
8. Government support, regulations
9. Special market characteristics
10. Sources of assistance

Course Methods

Lectures, case presentations and discussions will be used. The emphasis will be on practical action and methods, and on actual experience of people who have worked in the various areas.

Faculty

A combination of local personnel and foreign experts will be used. Frank H. Elsby of KETA will play a major role. Mr. Elsby, an Englishman, has just come to KETA as exports training advisor following a similar successful assignment in Bangladesh where he assisted small Bangladesh enterprises with exports programs. Use will also be made of the network of people developed by KETA for the exports programs they give through the University of Nairobi.

Dr. Radnor will act as course leader and will participate in group discussions and other course activities. KIM will be asked to appoint a course administrative coordinator.

In addition to the above persons, one U.S. expert would be recruited and brought to Kenya for the course. Use may be made of an IESC person if this is appropriate and feasible.

Step III: Evaluation

Following the conduct of the program, an evaluation report will be prepared for AID containing an assessment of what was learned regarding training needs of potential participants, problems and opportunities in the exports area; experience with recruiting, administration, and cost of courses; feedback (participant and instructor) on course content, methodology and delivery; what was learned by the participants and the likely impact, and recommendations for future efforts.

IV. Program Management

1. Organization

Michael Radnor and Associates will carry total project responsibility.

This will involve:

1. Establishing all relationships and agreements necessary to implement the program (with KIM, KETA, and any other institutions in Kenya, the U.S. or elsewhere). Preliminary agreement from KETA and KIM has already been obtained.
2. Conduct of the initial survey study.
3. Program content and methods
4. Faculty selection, recruitment and guidance.
5. Coordination with AID.
6. Overall supervision and monitoring.
7. Handling of AID funds. KIM will be responsible for receiving participant fees and making payments to hotels, for printing, etc. Lecture fees and expenses will be paid directly through Michael Radnor and Associates. KIM will receive a grant through Michael Radnor and Associates to cover any difference between their costs and the fees they take in.
8. Final Report.

Michael Radnor will be project director.

2. Schedule

1. Initial Organization and Preliminary Survey

July 1983

2. Review of Findings

August 1983

3. Courses

October-December 1983

Courses will be run back-to-back in the locations (i.e., over a three week period).

4. Final Report

January 1984.

3. Fee Structure

Usual fees for KIM members are 550K/- for a 5 day program (650K/- for non members). This may be too much for some of the participants targeted in this program. Discussions must be held with the government regarding training levy funds which might be applicable. For budgeting purposes we will assume that we will be able to obtain an average total fee of 400K/- per person.

Since courses will be held in participants' localities no provision will be made for over-night hotel costs, dinners or transportation to the program. Lunches, teas and one reception will be covered.

4. Budget1. Costs

1. Fee to KIM	2,000
2. Kenyan lecturers	
3/course @ 1,000K/-	750
3. Survey expenses (with KETA)	1,500
4. U.S. lecturer fee and expenses	7,500
5. Miscellaneous for receptions, etc.	750
6. Fee to Radnor Associates	5,000
7. Expences: Travel & Per Diem	
on 2 trips plus local travel	8,000
8. Office expenses, communications, final report, etc.	<u>1,500</u>
TOTAL	\$27,000

2. Revenue:Estimated

3 courses x 20 participants x 400K/-	<u>1,850</u>
Net Cost	<u>\$25,150</u>

Radnor and Associates will agree to carry out the project at a fixed price of
\$25,000.

5. Qualifications

Michael Radnor and Associates have developed training materials and conducted training courses in developing countries for the World Bank and the U.N. Dr. Radnor is an experienced management educator and is familiar with the Kenya environment where he has carried out several studies for AID with respect to management training and development.

Dr. Radnor is Professor of Management at the J.L. Kellogg Graduate School of Management at Northwestern University and Director of the university's Center for the Interdisciplinary Study of Science and Technology. His resume is attached.