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23 January 1987

UNITED NATIONS  
ECONOMIC COMMISSION FOR AFRICA

Joint ECA/UNIDO Industry Division

PROGRESS REPORT  
(1 July to 31 December 1986)

PROJECT TITLE: Metal Industry Development Programme

PROJECT NUMBER: ATF 002/23

1. (a) Project title: Metal Industry Development Programme
- (b) Project Number: ATF 002/23
2. Source of funding: UNIFAD, Nigerian Grant
3. Total Cost:
  - (a) Amount provided from UNIFAD  
Nigerian Grant - 1980: US\$37,962.00
  - (b) ECA contribution as of 31 December 1986  
54 w/months.
4. Total expenditure UNIFAD, Nigerian Grant - as of 31 December 1986  
US\$29,631.48.
5. Summary report on present status of project implementation

The original project document (dated December 1979) was aimed at preparing industrial profiles for the consideration of the OAU Summit on Economic Development in 1980. The profiles were intended to cover: iron and steel, ferro-alloys, copper and aluminium industries in Eastern, Southern, Central and West African subregions.

Revisions in 1980 to the original project document led to activities to be focussed on organizing two intergovernmental meetings of experts on the establishment of iron and steel industries in the Eastern and Southern African subregion. After two such meetings, third intergovernmental meeting envisaged in the revised project document dated 23 February 1982, was replaced by the Eastern and Southern African Steel Development Committee (ESASDC). After two meetings of this committee, it was decided in 1984 to incorporate the work of this committee into the work programme of the Preferential Trade Area for Eastern and Southern Africa (PTA) through the iron and steel subcommittee of the Technical Committee on Industrial Co-operation.

6. Results to date

In addition to the work accomplished so far (see Progress Report for the period 1 January to 30 June 1986) the following additional results have been achieved over the reporting period.

A contract has been offered to a consultant to prepare a report on guidelines for planning small integrated iron and steel plants for the production of flat products based on direct reduction technology. The consultant will also undertake a review of technological options and draw up recommendations matching the iron-making technology with both the steel making and rolling operations as determined by the raw material requirements for direct reduction. A model format for pre-investment studies for integrated plants with a capacity range of 50,000 to 150,000 tons/year will be produced.

7. Results still to be achieved

After the completion of the consultant's work, his proposals will be used as an input to the Joint ECA/UNIDO Industry Division's effort to establish the economic and technological options for small integrated iron and steel complexes. There will also be follow-up activities on the PTA programme to promote the improvement of the existing rolling mills and encourage the long-range planning of small integrated steel complexes based on sponge iron and the supply/purchase arrangements for ZISCOSTEEL products.

8. Major obstacles to project implementation

The programme for the development of the iron and steel industry in the PTA countries calls for far more resources than have been made available under this project document. The financial constraint is one of the major obstacles to project implementation.

The work leading to direct investment will require US\$100,000.00 for definitive techno-economic assessment of the particular sets of conditions for already identified projects in target countries. If this amount of money is not made available, work done so far will not be fully utilized. In fact, the project will be terminated without a concrete outcome in spite of the valuable preparatory work done so far towards identifying specific and financeable projects.

9. Action required

Further support activities are required to the PTA regarding improvement of existing rolling mills and the long-range planning of small integrated steel complexes based on sponge iron. The project will need additional financing if it is to proceed beyond the conceptual stage.

10. Immediate expected follow up

The consultant has been offered a contract to make a technical evaluation of sponge iron processes. This will be undertaken with a view to selecting technology suited to the PTA region.

11. Project budget

See attached Annex I.

12. ECA Personnel

Estimate of ECA contribution over the reporting period in work/months: Project Officer, Secretariat Assistance, Chief of Section and Chief of Division (3 w/m).

UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA  
AS AN EXECUTING AGENCY

STATEMENT OF PROJECT EXECUTION AS AT 31 DECEMBER 1986

DONOR: UNIFAD, Nigerian Grant  
PROJECT TITLE: Metal Industry Development Programme  
PROJECT NUMBER: ATF 002/23  
ECA ACCOUNT NUMBER: DA-ATF-O-B-40

Description	1986 Budget US\$	Total Commitments 1 July-31 Dec. 1986	Unencumbered Balance 31 Dec. 1986
11.00 Metallurgical Engineer	9,260.00	5,476.00	3,784.00
15.00 Travel on official business	3,298.93		3,298.93
53.00 Miscellaneous	26.18		26.18
59.00 Programme support	1,676.41	455.00	1,221.41
99.00 TOTAL	14,261.52	5,931.00	8,330.52