

United Nations Development Programme

South-South Cooperation Programme

On

Africa-Asia SME Network Programme : Phase I (2nd Part)

Brief Summary

This programme focuses on poverty reduction through private sector development and is formulated to cover the second half of the existing Phase I programme. The programme aims at SME policy and institutional reform of member countries, capacity development of SME supporting organizations and promotion of trade and investment of SMEs. TECHNOnET Africa network was established in 2004 by 11 participating organizations (POs) from 7 African countries that are engaged in the promotion of small and medium-sized enterprises (SMEs) in their respective countries. Inter-regional collaboration has been pursued with an Asian partner, TECHNOnET Asia, which is in existence in Asia for the past 30 years to develop the SME sector.

During the first half of the Phase I, remarkable accomplishments have already been made such as African policy makers' visit to Asia, that opened the door for Africa-Asia partnership in SME development, and seminars conducted in Africa by Asian partners. Resource was mobilized from governments in Africa and Asia in the form of financial and in-kind contribution. This Part 2 is designed to cover additional activities of the Phase I and to fill the resource gap which occurred due to the decline of initially planned donors.

This programme is a follow-up of the Tokyo International Conference on African Development (TICAD) III and in line with the New Partnership for Africa's Development (NEPAD).

SIGNATURE PAGE

Country: _____

TECHNONET Africa is effectively managed by participating organizations to run the planned activities: positive feedback from the participating organizations

Conventional policy and institutions for SME development was reformed: number of policy recommendations adopted and improvement in financing practices in each country

Capacity for technical support is strengthened to promote trade and investment for SME development: number of in-country training on quality control and entrepreneurship development, number of technology and business matching between African and Asian firms

Direct Execution (DEX) Modality

UNDAF Outcome(s)/Indicator(s): _____
(Link to UNDAF outcome, If no UNDAF, leave blank)

Expected Outcome(s)/Indicator (s): _____
(CP outcomes linked to the SRF/MYFF goal and service line)

Expected Output(s)/Indicator(s): _____
(CP outcomes linked to the SRF/MYFF goal and service line)

Expected Output(s)/Indicator(s): _____
(CP outcomes linked to the SRF/MYFF goal and service line)

Implementing partner: _____
(designated institution/Executing agency)

Other Partners: _____
(formerly implementing agencies)

Programme Period: July 2006 – December 2007
(Total Programme: June 2004-December 007)
Programme Component: Poverty reduction through private sector development
Project Title: Africa-Asia SME Network Programme Phase I (2nd Part)
Project ID: 00046113
Project Duration: 1.5 Years (Total : 3.5 years)
Management Arrangement: DEX

JHRDF	Budget Phase I :	US\$ 938,700
	Additional Budget :	US\$665,100
	General Management Support 5%	US\$ 33,255
Total:		US\$ 698,355
	Contribution to the Trust fund	US\$945,000
	Government of South Africa	US\$ 140,000
	Membership fee :	US\$ 140,000
	Co-financing/Parallel financing	
	JICA :	US\$977,000
	African Development Bank :	US\$300,000
	Government of Malaysia :	US\$ 40,000
	Needs for Resource mobilization :	US\$300,000

Associate Administrator

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2017

Agreed by (UNDP):

Part I Situation Analysis

Small and medium-sized enterprises (SMEs) are the major engine for growth in developed and most developing countries and employ, in many cases, up to 80 per cent of the total labor force. Development of this critical sector has, however, lagged far behind in Africa, and SMEs employ at best 40 per cent of the total working population in many African countries. This discrepancy creates a huge opportunity for African nations to further foster SMEs, thereby creating jobs, increasing incomes, and ultimately slashing poverty.

Based on this recognition, a South-South cooperation programme on Africa-Asia SME Network was developed through needs assessment study and strategy planning workshop conducted in 2002. A full-fledged programme was launched in June 2004, under the funding of UNDP utilizing Japan Human Resources Development Fund for South-South Cooperation. The concept of the programme was to link a network of 10 member organizations in seven African countries with a similar network of organizations that have been involved in SME promotion in Asia for the past 30 years. The African network was named TECHNOnET Africa, after its Asian predecessor and sister organization, Technonet Asia.

The programme was designed to pursue three main outcomes. These are a) effective management of the TECHNOnET Africa, b) policy and institutional reforms for SME development, and c) increasing capacity to promote technology enhancement and trade and investment of SMEs. Three SME industries in Africa were selected as strategic foci; agro-based industry, food processing and metal working.

1. Progress in establishing TECHNOnET Africa Network

Since its official launching, TECHNOnET Africa has been steadily strengthening its organizational settings and deepening ties with TECHNOnET Asia. As a decision making body, Governing Council comprising all participating organizations (POs) was formed and appointed five POs as Executive Committee members. Three Governing Council meetings and two Executive Committee meetings have so far been organized. Through these meetings, the constitution of TECHNOnET Africa was established, membership fee was defined, progress of the programme was monitored, and detailed activity plan was discussed.

As an administrative body, a secretariat was established and is being hosted by the UNDP Regional Service Center in Johannesburg. An executive director and a programme associate were hired in 2005. In addition, a program officer of UNDP/RSC is devoting his time to the management of the secretariat and the programme. Although the secretariat is small in scale, it is handling all administrative matters related to the programme, including communications with POs and partners in Asia, programming and implementation of workshops and seminars, organization of Governing Council and Executive Committee meetings as well as financial management.

This programme originally started with 11 organizations, but as Enterprise Africa ceased existence after termination of the funding from UNDP, the number of organizations is now 10.

In parallel with these exchanges between the two continents, needs assessment study on policy and institutional reforms for SMEs was conducted by Japan International Cooperation Agency (JICA) in six TECHNONET Africa member countries (except Mozambique). The study covered such aspects as policies toward SME development, management of SMEs, and status of trade and investment of each country. Following this study, JICA decided to formulate industrial development strategies in

finance.

concluded that each country should make necessary steps to improve policy environment for SME development and importance of legal and regulatory frameworks governing the banks. It was attended. Through the workshop awareness was built on the role of SME Banks for SME form the Ministries of Finance, Trade and Industry, Central Banks and bank licensing organizations Thailand. 50 participants from TECHNONET Africa member countries, consisted of representatives Africa" was conducted in Cameroon in January 2006, inviting senior managers of the SME Bank of ased on this success at the initial stage, a workshop on "How to start and manage SME Banks in

focus.

been privatized, assurance was made that these banks would maintain SME financing as a major started conceptualization of establishing a SME bank. In Tanzania, where major banks have already Asia was widely recognized. As a result, countries such as Cameroon, South Africa and Ghana member countries in Africa. Among all, the role of SME Banks in promoting SME development in The results of the visit were reported to and well received by the governments of TECHNONET

this programme in both operational and financial terms.

This visit became milestone of this South-South Cooperation programme in that it induced commitment of the policy makers to the development of SMEs in respective countries and support to

- Dynamic and fast growing economy of the three countries, especially in Viet Nam
- Financial scheme specifically designed for SMEs
- standardization and quality control, incubation and marketing
- Roles of SME supporting institutions in investment promotion, technical support,
- Comprehensiveness of legal and policy framework for SME development
- Commitment of governments in SME development

deeply impressed by following factors.

TECHNONET Africa. The visitors were exposed to the Asian experience in SME development and Ministers and three Assistant Ministers), representatives of nine POs and secretariat members of attended by heads of SME supporting Ministers from seven countries (three Ministers, two Vice-countries of Asia, namely, Malaysia, Thailand and Viet Nam. The visit was conducted in April 2005, Efforts to facilitate policy and institutional reform started with African policy makers' visit to three

2. Progress and accomplishment in policy and institutional reform

TECHNONET Asia, as a partner organization in Asia, has been substantially supporting the activities of TECHNONET Africa. The support has been including advice on the establishment of constitution, arrangement of activities conducted in Asia and communications with organizations/personnel to be sent to Africa to conduct workshops/trainings. TECHNONET Asia has been playing crucial role in promoting this Africa-Asia partnership.

Although substantial parts of the resources have been mobilized as above and extra efforts for resource mobilization will continue, there is still need for additional funding in order to cover planned activities. The final goal of this programme is to make this initiative a long-lasting framework. To this end, additional fund will play a crucial role to produce tangible results of high quality.

This programme started based on an assumption that co-financing from other OECD donors would be available. However, despite of their initial interests in the programme, the donors declined at the final moment, leaving a huge gap to fulfill planned activities. On the other hand, the Government of South Africa, who found this programme effective and beneficial, decided to contribute \$945,000 to this programme. The Governments of Cameroon and Ghana, in which training and seminars were conducted, made in-kind contribution (such as venue and transportation) to support smooth implementation of the events. Similar contributions are expected from other member countries when seminars and workshops are conducted in their countries. The government of Malaysia and JICA also agreed to co-finance a workshop to be conducted in Malaysia. African Development Bank is very positive in supporting the programme and generally agreed to co-finance the SME financing symposium. The Bank is also interested in providing finance to firms with promising business plans which will be developed through technology and business matching with Asian firms.

In the second half (Part 2) of the programme, networking for SME development will further be pursued. Activities in this period will include Asian policy makers' visit to Africa, symposium and workshop on SME financing, policy and institution, technology and business matching between African and Asian firms and training on standardization and quality control. Out of these activities, symposium on SME financing and workshop on policy and institution are additional components to the original programme. Needs for these new components emerged through African policy makers' visit to Asia as indispensable parts of the programme.

4. Forthcoming activities, status of resource mobilization and additional needs for funding

In March-April 2006, a Training of Trainers on Entrepreneurship Development was conducted in Ghana. Four Asian consultants recommended by the TECHNOMET Asia provided training to 36 participants from member countries. The training was designed to nurture entrepreneurship culture in Africa through capacity development. It covered such topics as market research, marketing, business plans, cash flow management and financial analysis. The training was conducted in a way that participants would become trainers and it is expected that they conduct training and disseminated acquired skills to wide range of entrepreneurs in each country. This training was highly appreciated by African participants because of the quality of the Asian trainers as well as practical nature of the training.

3. Progress and accomplishment in capacity development for technology enhancement and trade and investment promotion of SMEs

Cameroon, Ghana and Uganda. These strategies are expected to be used as a basis of promoting SME development programmes in each country.

As discussed earlier, the crucial role of governments in creating enabling environment for SME development is acknowledged by African policymakers through exposure to Asian experiences. Based on this experience, two new activities will be added, focusing on SME financing as well as policy and institutions.

1. Establishing enabling environment for SME development

In addition to these, this part will place emphasis on the following aspects.

Since this Part 2 is the supplementary part of the initial programme, it naturally follows the strategies which were originally developed. They are, a) establishing TECHNOMET Africa, b) sharing and adapting experiences through networking, c) focusing on three strategic SME industries, d) applying good practices of prime movers in specific areas of SME development and e) strengthening TECHNOMET Africa through linkages with other networks and programmes.

Part II Strategy

Source of fund	Original plan	Revised plan
Contribution	UNDP (JHRDF): initial installment	938,700
	UNDP (JHRDF + Partnership Fund) : additional requirement	698,355
Contribution	Government of South Africa	945,000
	Membership fee from POS	132,000
	Other donors (EU, GTZ, JICA, ADB, etc.)	1,227,000
	Government of Malaysia and Thailand	400,000
	Needs study by JICA	910,000
Co-financing	Government of Malaysia and Thailand	40,000
	Government of Malaysia and Thailand	910,000
In-kind contribution	Government of Malaysia and Thailand	In kind
	Government of TECHNOMET Africa member countries	
Needs for resource mobilization		300,000
Total	3,906,800	4,344,055 Plus in-kind contribution

The original and revised resource mobilization plans are as follows.

The ultimate goal of this programme is to activate SMEs in Africa through capacity development and trade and investment with Asia. To this end, it is important to create mechanism to facilitate interaction of African and Asian firms. As a basis for this interaction, information on three major key industries (agro-based industry, food processing and metal working), with special emphasis on the needs of technology innovation, will be uploaded and renewed on the web site of TECHNOMET Africa. Using this information, TECHNOMET Asia will facilitate matching by mobilizing Asian firms through its member POs. Although technology and business matching belong to private sector activities, it is essential to demonstrate the effectiveness of this practice so that other firms may follow. For this purpose, experts from selected Asian firms will be invited to Africa to conduct feasibility studies and produce investment plans. If twinning between African and Asian firms ends up successfully, experts will re-visit Africa to provide technical advisory services and training. By doing this, African firms will become eligible for finance from banks including international financing institutions.

2. Enhancing ties between African and Asia for trade and investment promotion.

The need for comprehensive policy and institutional framework is another important lesson learned from African policy makers. "High Level Meeting on SME Policy and Institution" will be organized in Malaysia with the full support and contribution of the Government of Malaysia. The workshop (named as "meeting") aims to enhance understanding of senior government officials of Africa on the experience of Malaysia in developing its economy through SME development. The Malaysian Industry Development Authority (MIDA) will host the workshop and various organizations responsible for economic planning, technology development and quality control, trade and investment promotion and financing will share their experiences. The workshop will include four day visit to Thailand, to have additional inputs from the similar experiences of Thailand. At final stage, participants are expected to formulate action plans to be implemented in respective countries.

It is recognized that one of the bottlenecks hindering development of SMEs in Africa is limited access to finance. This stems from several factors including higher interest rate set forth to SMEs in comparison to large companies, higher risks associated with SMEs, weak capacity of financial institutions in credit analysis and loan appraisal and limited capacity of SMEs to develop attractive business plans. A "Symposium on SME Financing" will be organized in Tanzania, with an aim of discussing, sharing and learning from the experiences and best practices in financing SMEs in Asia and the rest of the world and adapt them to the African context. Government officials responsible for SME development and finance, representatives from financial institutions and SME supporting organizations in Africa and Asia will participate. Invitation will be extended to African countries including non-member of TECHNOMET to consolidate the common understanding on this critical issue in African continent. The symposium will also aim to review the current policies of multilateral institutions on SME financing in Africa to come up with policy alternatives and encourage the further promotion and financing of SME's by such institutions. It is expected that at the end of the seminar, policy recommendations will be formulated to facilitate SME financing in Africa.

3. Strengthening ties and communications with partners

Although this programme is started as a development cooperation project, TECHNUNET Africa needs to be institutionalized at some point so that the Network will serve the needs of SMEs in a longer time frame. To be a self-sustainable institution, it is essential that the Network is supported by wide range of partners including governments, private sectors and international organizations. Therefore TECHNUNET Africa needs to broaden and deepen partnership with existing and possible partners through constant communications. It should be ensured that information on TECHNUNET Africa is effectively uploaded on the website so that it is visible and accessible to all partners. Periodical reporting on the progress and outcomes of the programme is another strategy that TECHNUNET Africa needs to pursue to keep stakeholders updated. Finally, TECHNUNET Africa needs to make extra efforts to explore new partnership including private sectors in each country. To this end, the TECHNUNET Africa needs to develop communication/partnership building strategies and aggressively explore resource mobilization opportunities.

Linkage with similar initiatives such as Africa-Asia Business Council and China-Africa Business Council is also important. These initiatives can complement with each other and produce synergy effects, periodical exchange of information is essential.

Goal: Reducing human poverty
Sub-goal: Private-sector development
Strategic area of support: Strengthening African SME network

INTENDED OUTCOME 1: TECHNUNET Africa is effectively managed by participating organizations to run the planned activities.

Intended Outputs	Output Targets	Indicative Activities	Inputs
1.1 TECHNUNET Africa launched	1.1 Memorandum of Agreement signed by the representatives of African participating organizations	1.1.1 Confirm the details of the operational system of TECHNUNET Africa (see annex 2: Organization Chart of TECHNUNET Africa) 1.1.2 Launch TECHNUNET Africa as a Network Programme in Phase 1	Network launching (Subtotal: \$120,000)
1.2 TECHNUNET Africa Network established	1.2 Operational system of TECHNUNET Africa is put in place	1.2.1 Establish the Secretariat in selected host country 1.2.2 Organize the Governing Council and executive committee meetings to make policy decisions and set direction 1.2.3 Undertake regional travel to mobilize resources and coordinate programmes 1.2.4 Coordinate Asian partners and support the activities of TECHNUNET Asia	Salary and office maintenance; Council mtgs.; regional travel; and TECHNUNET Asia facilitation (Subtotal: \$849,800)
1.3 Participating organizations interlinked for sharing knowledge and information	1.3 Participating organizations are interlinked in the network for communication and sharing of information	1.3.1 Identify needs of communication facilities of participating organizations 1.3.2 Provision of hardware (e.g., PCs, scanners, printers) to participating organizations to improve communication 1.3.3 Establish a web site on a platform for communication among participating organizations and partners	Web site creation and maintenance (Subtotal: \$6,000)
1.4 Monitoring and evaluation accomplished	1.4 Monitoring and evaluation accepted by Governing Council	1.4.1 Supervise the project in RSC 1.4.2 Conduct monitoring by UNDP headquarters 1.4.3 Conduct monitoring by UNDP RSC in Johannesburg 1.4.4 Conduct evaluation at the end of Phase I	UNDP support, mission and evaluation (Subtotal: \$53,600)
Outcome 1: total inputs:			\$1,029,400

INTENDED OUTCOME 2: Conventional policy and institutions for SME development reformed.

Intended Outputs	Output Targets	Indicative Activities	Inputs
<p>2.1 Needs and state-of-the-art for SME development in TECHNONET Africa member countries identified</p>	<p>2.1a Identifying needs for SME development in the network countries</p> <p>2.1b Identifying state-of-the-art of three selected key industry sectors in member countries:</p>	<p>2.1.1 Conduct needs study in each member country to identify the need for policy and institutional reforms</p> <p>2.1.2 Conduct state-of-the-art studies of three industry sectors that have potential for development in Africa</p>	<p>Needs study and consultancy fee for state-of-the-art study: (Sub Total: \$1,145,400)</p>
<p>2.2 Mechanisms for policy and institutional reforms to develop African SMEs identified and adopted</p>	<p>2.2 Identifying ways and means for policy and institutional reforms to develop SMEs in Africa</p>	<p>2.2.1 Conduct the familiarization visits to Asia by selected senior African policy-makers to identify best practices and experiences for African development</p> <p>2.2.2 Conduct the observation visits to Africa by Asian policy-makers from public and private sectors to identify the most suitable best practices of Asian countries for development of African SMEs</p> <p>2.2.3 Provision of policy advisory services to promote policy and institutional reforms</p> <p>2.2.4 Conduct SME Bank Training Workshop in Cameroon</p> <p>2.2.5 Conduct Executive Development Programme for SME Financing in Malaysia and Thailand (Funded under "Credit Analysis and Development Finance in Africa)</p> <p>2.2.6 Conduct Symposium on SME Financing in Africa</p> <p>2.2.7 Conduct High Level Workshop on SME Policy and Institution in Malaysia and other countries.</p>	<p>Familiarization visits, advisory services, training and symposium in Africa and workshop in Asia (Sub Total: \$971,700)</p> <p>Outcome 2: total inputs: \$2,117,100</p>

Note: Shaded parts are additional to original framework.

UNDEVELOPED OUTCOME 3: Capacity for technical support is strengthened to promote trade and investment for SME development.

Intended Outputs	Output Targets	Indicative Activities	Inputs
<p>3.1 Technology information matched with the needs of African SMEs</p>	<p>3.1 Quantity of technology information matched with the needs of African SMEs through Web-site information exchange</p>	<p>3.1.1 Expand web site technology information for the use of participating organizations regarding the three SME industrial sectors: agro-based industry, food processing industry and metal working industry 3.1.2 Provide consultancy services for needs assessment 3.1.3 Facilitate matching of needs/supply technology information</p>	<p>Web site technology information, consultancy service, regional meetings and facilitation (Subtotal: \$153,200)</p>
<p>3.2 Technologies in strategic SMEs improved</p>	<p>3.2 Quantity of technologies improved by African SMEs in three strategic industrial sectors</p>	<p>3.2.1 Assign experts to produce investment plans 3.2.2 Facilitate Sister Company arrangements 3.2.3 Facilitate Asian business firms to provide technological advisory services/training of the staff of African sister companies</p>	<p>Selection, identification, technological advisory services (Subtotal: \$300,000)</p>
<p>3.3 SME entrepreneurs developed with improved quality of products and market</p>	<p>3.3.a Number of improved African SMEs in management of products and markets 3.3.b Number of improved African SMEs in production capacity, sales revenue and net profit</p>	<p>3.3.1 Conduct training of trainers (TOT) in Africa for entrepreneurship development, management and marketing in collaboration with Asian partner institutions 3.3.2 Conduct entrepreneurship development, management and marketing programme in Africa in collaboration with UNIDO 3.3.3 Conduct training of trainers (TOT) in quality and standards improvement in collaboration with Asian partner institution 3.3.4 Conduct national workshops to train participating organization staff by volunteers to facilitate trade and investment promotion in collaboration with other ongoing programmes</p>	<p>Training in Africa, and entrepreneurship development programme (Subtotal: \$74,600)</p> <p>Outcome 3: total inputs: \$1,027,800</p> <p>Outcomes 1-3: total inputs: \$4,174,300</p> <p>AOS: \$39,520 GMS: \$129,591</p> <p>Grand Total : \$ 4,343,411</p>

PART IV. Management Arrangements

A. Composition of the network

1. Membership

TECHNONET Africa comprises 11 participating organizations from seven countries in the Eastern, Western and Southern African regions that are all engaged in the development and promotion of small and medium-sized enterprises in their respective countries. The list of participating organizations is shown in Annex 3.

2. Governing Council (GC)

The Governing Council of TECHNONET Africa comprises 11 persons, who are either the heads of the participating organizations or their designated representatives. Donor representatives also participate in the Council as observers. As the main policy-making body, the Governing Council will meet once a year to take important policy decisions, to give direction to the network and to guide the Executive Director in implementing the Council decisions (see annex 2 for the Organization Chart). To support the Governing Council, Executive Committee is formed to discuss work plans and financial plans.

3. Secretariat

The coordination of the programmes that are implemented for the benefit of the participating organizations will be undertaken by the network Secretariat, which is initially being located in South Africa unless otherwise decided by founding members at the launching meeting. The Secretariat, which is headed by the Executive Director, will implement the decisions of the Governing Council.

B. Roles and responsibilities of other related organizations

1 UNDP Special Unit for South-South Cooperation

The Special Unit for South-South Cooperation will undertake overall planning and supervision activities, according to UNDP procedures. Its tasks will include reporting to donors.

2. UNDP Regional Service Centre in Johannesburg

This Programme is being executed by the Regional Centre in Johannesburg through direct execution during phase one, which will cover the first three years of the project. The Regional Centre in Johannesburg with the administrative and operational support of the South Africa Country Office as needed, will undertake direct responsibility for the execution of the project and will appoint appropriate staff to manage the programme, particularly supporting the operation and financial management of the programme. The TECHNONET Africa Secretariat will liaise closely with the UNDP Regional Centre in Johannesburg with regard to funding

requirements, progress of activities and any other matters for which it may require UNDP intervention.

3. UNDP country office in Malaysia

The UNDP country office in Malaysia will render whatever assistance is deemed necessary for the smooth functioning of the activities to TECHNONET Asia and to any other Asian institutions.

4. TECHNONET Asia

The TECHNONET Asia Secretariat in Singapore will undertake the facilitation and coordination arrangements with its network members and other Asian institutions in respect of the programmes, particularly technology information and advisory services that have been earmarked to be carried out in collaboration with the TECHNONET Asia participating organizations and other Asian institutions.

Part V. Monitoring and Evaluation

Several methods will be adopted for monitoring the progress of the activities of TECHNONET Africa. The UNDP Special Unit for South-South Cooperation, together with the Secretariat and the UNDP country offices in South Africa, Cameroon, Ghana, Mozambique, Nigeria, Uganda, and Tanzania, will closely monitor the progress by adopting mechanisms such as regular progress reports and feedback questionnaires. The participating organizations will be constantly asked questions on the progress of policy reform as well as the dissemination of knowledge and technologies acquired through the workshops and seminars.

Beside the yearly review that will be conducted by the Governing Council at their annual meeting, an evaluation has been earmarked for the period towards the end of phase one, that is, in the third year of the network's operations. Consultants will be recruited to carry out the evaluation missions, which will require them to travel to all the network countries.

The Special Unit for South-South Cooperation, in conjunction with the UNDP Regional Service Center in Johannesburg, will give the monitoring team specific guidelines and terms of reference to carry out its task to ensure the effective achievement of its objectives. The results of this evaluation will be used to draft the programmes and activities that will be projected for phase two of the project.

All activities stipulated in the Project Document will be implemented as stated in this document. However, should there be a need to make changes or modifications to any of the agreed activities, all signatories of the Project Document must concur before such changes are made.

The following types of amendments may be made to the original Project Document:

- Revisions in, or addition to, any of the annexes to the Project Document;
- Revisions that do not result in major changes in the immediate objectives or outputs of the project and that are attributed to a reordering of the project activities or inputs in order to improve the achievement of the project objectives or outputs.

Yearly revisions needed to readjust the scheduling of the inputs will be made by the Governing Council.

Part VII Sustainability and Resource Mobilization Strategy

As stated already, TECHNONT Africa is expected to become an independent legal entity at some point to make this initiative a long-lasting one. To this end, feasibility study needs to be conducted on such aspects as compliance with legal requirement of the host country, organizational setting of the secretariat and business plans and financial management of the Network.

In parallel with this, resource mobilization opportunities need to be aggressively pursued. In addition to the commitment from the Government of South Africa, contributions from other participating governments need to be sought. As end beneficiary of this programme is private sector, contributions from private sector are also to be explored. It is essential to make this programme as an innovative model case for public-private-partnership.

Intended Outputs	Indicative Activities	2006	2007	Remarks	Expenditure 2004 - June 2006	Additional Requirements Jul-06	2007	Total	Note	
	1.1 TECHNONET Africa launched									
				71600 Travel	100,000					
				74500 Miscellaneous Expenses	20,000					
				SUBTOTAL for 1.1:						
					120,000	0	0	0		
				61300 Salary & Post Adjustment	199,200	0	0	0		
				72000 General Operating Expenses	7,500	2,500	5,000	7,500	Rent for of	
				73100 Rental & Maintenance - Premises	20,000	8,500	17,000	25,500	TECHNONET Africa, Travel costs for	
				Rental (by the Govt. of South Africa)	22,500	0	0	0	Governing Council meetings and	
				Miscellaneous Expenses	7,500	0	0	0	Secretarial, Overall	
				71600 Travel	80,000	49,100	42,200	91,300	personnel cost for	
				72100 Contractual Service - Company	45,000	45,000	30,000	45,000	TECHNONET Asia	
				SUBTOTAL for 1.2:						
					381,700	75,100	94,200	169,300		
	1.3 Participating Organizations (POs) interlinked for sharing knowledge and information	*		Local Consultant		6,000		6,000	Web-site building for TECHNONET Africa	
				SUBTOTAL for 1.3:						
					0	6,000	0	6,000		
				71600 Travel	21,200	8,200	9,200	17,400	UNDP (HQ and RSSC) mission costs	
				International consultant	0		0	0		
				SUBTOTAL for 1.4:						
					21,200	8,200	9,200	17,400		
				SUBTOTAL for Outcome 1:						
					522,900	89,300	103,400	192,700		
	2.1 Needs and state-of-the-art for SME development in TECHNONET Africa member countries Identified	*				0		0		
				SUBTOTAL for 2.1:						
					910,000	0	0	0		
	2.2.1 Conduct the familiarization visits to Asia by selected senior African policy-makers to identify best practices and experiences for African development			71600 Travel	119,000					
				74500 Miscellaneous Expenses	28,000					
	2.2.2 Conduct the observation visits to Africa by Asian policy-makers to identify best practices and experiences for African development.	*				30,600		30,600	10 day visit by 2 policy makers to 2-3 countries, in 3 groups	
				71600 Travel						
				72100 Contractual Service - Company		2,000		2,000		

Intended Outputs	Indicative Activities	2006	2007	Remarks	Expenditure		Additional Requirements		Note	
					04 - June 2006	Jul-06	2007	Total		
Intended Outcome 2: Conventional policy and institutions for SME development are reformed.	2.2.3 Provision of policy advisory services to promote policy and institutional reforms		*						15 day visit by 4 policy makers to 2-3 countries, in 3 groups	
				71600	Travel			70,800		70,800
					72100	Contractual Service - Company			2,000	2,000
	2.2.4 Conduct SME Bank Training Workshop in Cameroon			71600	Travel	103,800			0	
	2.2.5 Conduct Executive Development Programme for SME Financing in Malaysia and Thailand									
					71200	International consultant				
					71600	Travel		0		0
			*		72300	Materials & goods		97,000		97,000
				74500	Miscellaneous Expenses		0		0	
				71600	Travel (Participants air fare)		0		0	2 week workshop in Malaysia and Thailand, co-financed by the Government of Malaysia and JICA.
	2.2.7 Conduct High Level Workshop on SME Policy and Institution in Malaysia and other countries	*		71600	Travel (Other travel costs)		36,500		36,500	UNDP bears the costs for DSA and intra-regional trip.
				71600	Miscellaneous Expenses		0		0	
	2.2.8 Conduct High Level Workshop on SME Financing in Thailand									
SUBTOTAL for 2.2:					250,800	166,100	72,800	238,900		
SUBTOTAL for Outcome 2:					1,160,800	166,100	72,800	238,900		

Intended Outputs	Indicative Activities	2006	2007	Remarks	Expenditure 2006	Additional Requirements 2007	Total	Note
Intended Outcome 3: Capacity for technical assistance is strengthened to promote trade and investment for SME development	3.1 Technology information matched with the needs of African SMEs	*	*	71300 Local Consultant	0	0	0	
				72100 Contractual Service - Company	0	0	0	
				71200 International consultant	0	0	0	
				71600 Travel	0	0	0	
			74500 Miscellaneous Expenses	0	0	0		
			SUBTOTAL for 3.1:		0	0	0	
	3.2 Technologies in strategic SMEs improved	*	*	71600 Travel	0	0	0	
				72100 Contractual Service - Company	0	0	0	
				74500 Miscellaneous Expenses	0	0	0	
			SUBTOTAL for 3.2:		0	0	0	
3.3 SME entrepreneurs developed with improved quality of products and market	*	*	71200 International consultant	27,200		0	0	
			71600 Travel	87,800	93,800	93,800	187,600	2 week seminar by 4 lectures from Malaysian SIRIM, attended by 21 participants
			74500 Miscellaneous Expenses	20,000	19,000	22,000	41,000	
		SUBTOTAL for 3.3:		135,000	112,800	115,800	228,600	
		SUBTOTAL for Outcome 3:		135,000	112,800	115,800	228,600	
		SUBTOTAL for Outcome 1-3 (A)		1,818,700	368,200	292,000	660,200	
		Parallel financing (B)		932,500				
		Subtotal (A) - Parallel financing (B)		886,200	368,200	292,000	660,200	
		Payment to NGO TECHNUNET Asia		54,000	17,000	32,000	49,000	
		AOS to NGO (10%)		5,400	1,700	3,200	4,900	
		(B) + AOS		891,600	369,900	295,200	665,100	
		GMS (5%)		44,580	18,495	14,760	33,255	
		Grand Total : (B) + AOS + GMS		936,180	388,395	309,960	698,355	

Note: Shaded part shows payment to TECHNUNET Asia

Intended Outputs	Indicative Activities	Remarks	Expenditure 2004 - June 2006	Additional Commitment July 2006 -	2007	Total	Source of fund for additional requirement					Notes	
							UNDP	South Africa	Member-ship	Govern-ment	IFI		
Intended Outcome 1: TECHNINET Africa is effectively managed by participating organizations to run the planned activities.													
1.1 TECHNINET Africa launched.	1.1.1 Confirm the details of the operational system of TECHNINET Africa (see annex: Organization Chart of TECHNINET Africa)												
	1.1.2 Launch TECHNINET Africa as a Network Programme in Phase 1	71600	Travel	100,000									
		74500	Miscellaneous Expenses	20,000									
	SUBTOTAL FOR 1.1			120,000	0	0	0						
	1.2.1 Establish the Secretariat in selected host country	61300	Salary & Post Adjustment	199,200	84,000	162,000	246,000		246,000				
		72000	General Operating Expenses	7,800	2,500	5,000	7,500	7,500					
		73100	Rental & Maintenance-Premises	20,000	8,500	17,000	25,500	25,500					
			Rental (by the Govt. of South Africa)		7,500	15,000	22,500		22,500				
			Vehicle		25,000		25,000		25,000				
74500		Miscellaneous Expenses	7,500	2,500	2,500	5,000				5,000			
SUBTOTAL FOR 1.2			59,000	38,000	25,000	63,000	63,000						
1.2.3 Undertake regional travel to mobilize resources and coordinate programmes by the secretariat.	71600	Travel	19,600	6,000	12,000	18,000	18,000						
	71600	Travel	10,400	5,100	5,200	10,300	10,300						
	72100	Contractual Service-Company	45,000	15,000	30,000	45,000	45,000						
	SUBTOTAL FOR 1.3			382,000	194,100	273,700	467,800	169,300	293,500	5,000	0	0	
1.3 Participating Organizations (POs) Interlinked for sharing knowledge and Information	1.3.1 Identify Needs of communication facilities of POs												
	1.3.2 Provision of hardware (e.g., PCs, scanners, printers) to participating organizations to improve communication.												
	1.3.3 Establish a website on a platform for communication among POs and partners.	71300	Local Consultant		6,000		6,000	6,000	6,000	0	0	0	
SUBTOTAL FOR 1.4			0	6,000	0	6,000	6,000	6,000	0	0	0		
1.4 Monitoring and Evaluation accomplished	1.4.1 Supervise the project in RSC												
	1.4.2 Conduct monitoring by UNDP headquarters.	71600	Travel	18,400	6,200	6,200	12,400	12,400					
	1.4.3 Conduct monitoring by UNDP RSC in Johannesburg.	71600	Travel	2,800	2,000	3,000	5,000	5,000					
	1.4.4 Conduct evaluation at the end of Phase I	71200	International consultant	0	10,000	10,000	10,000	10,000		10,000			
SUBTOTAL FOR 1.4			21,200	8,200	24,200	32,400	17,400	15,000	0	0	0		
SUBTOTAL FOR OUTCOME 1 :			523,200	208,300	297,900	506,200	192,700	308,500	5,000	0	0		

Intended Outputs	Indicative Activities	Intended Outputs Remarks	Expenditure 2004 - June 2006	Additional requirement July 2006 - 2007	Total	UNDP	South Africa	Member- ship	Govern- ment	IFI	Notes	
Intended Outcome 2: Conventional policy and institutions for SME development are reformed.												
2.1 Needs and state-of-the-art for SME development in TECHNOLOGICAL Africa member countries identified.	2.1.1 Conduct needs study in each member country to identify the need for policy and institutional reforms.	Study by JICA	910,000								Parallel financing	
	2.1.2 Conduct state-of-the-art studies of three industry sectors that have potential for development in Africa.	71200 International consultant			80,000			40,000				
		71300 Local Consultant			146,000			86,000				Resource gap: \$100,000
		71600 Travel			9,400			9,400				
	SUBTOTAL FOR 2.1 :			910,000	235,400	0	235,400	0	135,400	0	0	
	2.2.1 Conduct the familiarization visits to Asia by selected senior African policy-makers to identify best practices and experiences for African development.	71600 Travel		119,000								\$8,000 to Technonet Asia
		74500 Miscellaneous expense		28,000								
		71600 Travel			30,600							
		72100 Contractual Service-Company			2,000							
SUBTOTAL FOR 2.2.1 :			177,000	70,800	70,800	2,000						
2.2.2 Conduct the observation visits to Africa by Asian policy-makers from public and private sectors to identify the most suitable best practices of Asian countries for development of African SMEs.	72100 Contractual Service-Company			2,000								
	72100 Contractual Service-Company			70,800								
SUBTOTAL FOR 2.2.2 :			70,800	70,800	70,800	2,000						
2.2.3 Provision of policy advisory services to promote policy and institutional reforms.	71600 Travel											
	72100 Contractual Service-Company			2,000								
SUBTOTAL FOR 2.2.3 :			2,000		2,000							
2.2.4 Conduct SME Bank Training Workshop in Cameroon.	71600 Travel		103,800									
SUBTOTAL FOR 2.2.4 :			103,800		0							
2.2 Mechanisms for policy and institutional reforms to develop African SMEs identified and adopted.	2.2.5 Conduct Executive Development Programme for SME Financing in Malaysia and Thailand.	71200 International consultant		20,000			20,000				Financed under other UNDP Programme of Credit Analysis	
		71600 Travel		397,000		397,000	97,000					
2.2.6 Conduct Symposium on SME Financing in Africa.	2.2.7 Conduct High Level Workshop on SME Policy and Institution in Malaysia and other countries.	72300 Materials & goods		30,000		30,000	30,000				African Development Bank will co-finance the symposium	
		74500 Miscellaneous expense		20,000		20,000	20,000					
		71600 Travel (Participants air fare)		72,000		72,000			72,000		JICA	
		71600 Travel (Other travel costs)		36,500		36,500						
		74500 Miscellaneous Expenses		40,000		40,000			40,000		EPU	
SUBTOTAL FOR 2.2 :			250,800	648,100	72,800	720,900	238,900	70,000	112,000	300,000		
SUBTOTAL FOR OUTCOME 2 :			1,160,800	883,500	72,800	956,300	238,900	205,400	112,000	300,000		

Interventor Output	Indicative Activities	Remarks	Additional requirement	Source of fund for additional requirement	UNDP	South Africa	Membership	Government	IFI	1,000s	
2004 - June 2006	201	Total	UNDP	South Africa	Membership	Government	IFI	1,000s			
Intended Outcome 3: Capacity for technical assistance is strengthened to promote trade and investment for SME development.											
3.1 Technology information matched with the needs of African SMEs	3.1.1 Expand web site technology information for the use of participating organizations regarding the three SME industrial sectors: agro-based industry, food processing industry and metal working industry.	71300	Local Consultant		1,000	1,000	2,000		2,000		
		72100	Contractual Service-Company		41,000	1,000	2,000		2,000		
	3.1.2 Provide consultancy services for needs assessment.	71200	International consultant		9,000		9,000		9,000		
		71600	Travel		10,200		10,200		10,200		
	3.1.3 Facilitate matching of needs/supply technology information.	71200	International consultant		40,000	20,000	60,000		60,000		
		71600	Travel		50,000		50,000		50,000		
	72100	Contractual Service-Company		9,000	9,000	18,000		18,000			
	74500	Miscellaneous Expenses		11,000	11,000	2,000		2,000			
	SUBTOTAL FOR 3.1 :				121,200	32,000	153,200		153,200		
	3.2 Technologies in strategic SMEs improved.	3.2.1 Assign experts to produce investment plans.	71600	Travel		52,500	52,500	105,000		52,500	
72100			Contractual Service-Company		41,000	6,000	9,000		9,000		
3.2.2 Facilitate Sister Company arrangements.		74500	Miscellaneous Expenses		2,500	3,500	6,000		6,000		
		74500	Miscellaneous Expenses		12,000	15,500	27,500		27,500		
3.2.3 Facilitate Asian business firms to provide technological advisory services/training of the staff of African sister companies.		72100	Contractual Service-Company		12,000	3,000	15,000		15,000		
		71600	Travel		52,500	62,500	105,000		52,500		
SUBTOTAL FOR 3.2 :				145,000	155,000	300,000		140,000			
3.3.1 Conduct training of trainers (TOT) in Africa for entrepreneurship development, management and marketing in collaboration with Asian partner institutions.		71200	International consultant		27,200	27,000	27,000		27,000		
		71600	Travel		87,800	90,000	90,000		90,000		
		72100	Contractual Service-Company		11,000	11,000	11,000		11,000		
SUBTOTAL FOR 3.3 :				126,000	108,000	128,000		108,000			
SUBTOTAL FOR 3.1 & 3.2 & 3.3 :				292,200	487,000	679,200		493,200			
Resource Gap:										\$80,000	

Intended Outputs	Indicative Activities	Remarks	Expeditar	Additional commitment		Source of fund for additional requirement					Notes				
				2004 - June 2006	July 2006 - 2007	Total	UNDP	South Africa	Member-ship	Govern-ment		IFI			
3.3 SME entrepreneurs developed with improved quality of products and market.	3.3.2 Conduct entrepreneurship development, management and marketing programme in Africa in collaboration with UNIDO.	74500	Miscellaneous Expenses	20,000	10,000	10,000	228,600	42,000	128,000	0	0	Resource gap: \$40,000			
													Miscellaneous Expenses	40,000	42,000
		71600	Travel	93,800	93,800	187,600	187,600	0	0						
3.3.3 Conduct training of trainers (TOT) in quality and standards improvement in collaboration with Asian partner institutions.	74500	Miscellaneous Expenses	10,000	10,000	20,000	20,000	0	0	0	0	0				
3.3.4 Conduct national workshops to train participating organization staff by volunteers to facilitate trade and investment promotion in collaboration with other ongoing programmes.	74500	Miscellaneous Expenses	9,000	12,000	21,000	21,000	0	0	0	0	0				
SUBTOTAL FOR 3.3 :				136,000	152,800	285,800	438,600	228,600	42,000	128,000	0	0			
Subtotal for Outcome 3:				136,000	419,000	472,800	891,800	228,600	335,200	128,000	0	0			
Sub Total (A):				1,820,000	1,510,800	843,500	2,354,300	660,200	849,100	133,000	112,000	300,000			
Parallel Financing				910,000	412,000	0	412,000	0	0	112,000	300,000				
(SubTotal(A) - Parallel Financing) (B)				910,000	1,098,800	843,500	1,942,300	660,200	849,100	133,000	0	0			
Unsecured resources C					196,500	103,500	300,000								
(B) - C = (D)					902,300	740,000	1,642,300								
Payment to NGO (TECHNINET Asia)				54,000	223,200	118,000	341,200	49,000	291,200	1,000	0	0			
NGO AOS (10%)				5,400	22,320	11,800	34,120	4,900	29,120	100	0	0			
(D) + AOS				915,400	924,620	751,800	1,676,420	665,100	878,220	133,100	0	0			
GMS 5%				45,170	46,231	37,590	83,821	33,255	43,911	6,655	0	0			
Grand Total:				961,170	970,851	789,390	1,760,241	698,355	922,131	139,755	0	0			
Grand Total with Parallel Financing plus Unsecured Resources				1,871,170	1,579,351	892,890	2,472,241					2,172,241			
							4,343,411								
REVENUE				938,700								898,355		1,637,055	Total
				22,500										922,500	
														945,000	
														140,000	
														72,000	
														40,000	
														300,000	
Grand Total:				1,871,200									2,172,855	4,044,055	
Additional needs for resource mobilization													300,000	300,000	

Note: The shaded parts indicate works to be done by TECHNINET Asia.

Contact list of Participating Organizations of TECHNUNET Africa

Name	Designation and organization	Country	City	Telephone	Fax	Email
CAMEROON						
1. CAMEROON HAMBER OF COMMERCE, IDUSTRY & MINES						
a.	Mr. Saidou Abdoulai Bobboy Secretary General, Chamber of Commerce, Industry and Mines	Cameroon	Douala	237 343 63 17	237 342 55 96	cide-q77@camnet.cm
b.	Ekoko Mukete Vice Chair Person of TECHNUNET Africa & Vice President, Chamber of Commerce & Vice President, Chamber of Commerce and Industry, mines and Crafts	Cameroon	Douala	237 343 3045	237 343 3048	ekokomukete@yahoo.co.uk
GHANA						
2. ASSOCIATION OF GHANA INDUSTRIES (AGI)						
i.	Mr. Cletus Kosiba Executive Director, AGI	Ghana	Accra	233-21-779-023	233-21-773-143	ckosiba@agidhana.org
3. NATIONAL BOARD FOR SMALL SCALE INDUSTRIES (NBSSI), ACCRA, GHANA						
i.	Dr. Nana Baah Boakye Executive Director, NBSSI	Ghana	Accra	233 21 669 706	233 21 669 707	nbssided@ghana.com
ii.	Mr. Dawarnoba Baeka Ghana	Accra		233-21-661397	233-21-661394	dbaeka@yahoo.com
MOZAMBIQUE						
4. SMALL SCALE INDUSTRY DEVELOPMENT FUND (FFPI)						
a.	Apollinario Panguene Executive Director, (FFPI)	Mozambique	Maputo	2582 1 430 093	258 1 430 093	panguene@tropical.co.mz

NIGERIA

5. NIGERIAN ASSOCIATION OF SMALL SCALE INDUSTRIES (NASSI)

i. Mr. Durodola Kuteyi vice President, NASSI Nigeria Lagos 234-1-474-1767 234-1-492-4288 duro_spectra@yahoo.com

6. MANUFACTURES ASSOCIATION NIGERIA (MAN)

i. Mr. Jide Mike Director, MAN Nigeria Lagos 234-1-497-4244 234-1-497-4247 jidemike@manufacturersnigeria.or

ii. Mr. Oruche Ambrose Manager, SME Department, MAN 234-1-4974249 234-1-4974247 dhumaoruche@yahoo.co.uk
admin@mtac.ac.ug

SOUTH AFRICA

7. SMALL ENTERPRISE DEVELOPMENT (SEDA),

i. Mrs. Damane Wawa CEO , SEDA South Africa Pretoria 27 (12) 428-5008 wdamane@seda.org.za

ii. Mr. Kaebece Mofhoiba Executive Manager, CEO's Office South Africa Pretoria 27 (12) 428-5008 27 (12) 428-5151 aventer@seda.org.za
SEDA

8. CHAMBER OF COMMERCE SOUTH AFRICA (CHAMSA)

i. Mr. Sipho Mseleku Chief Executive Officer, CHAMSA South Africa Johannesburg 27(11) 523 9000 27 (11)523 9020
siphom@chamsa.org.za

ii. Ms. Itumeleng Sengoa Director, BEE/SMME Development, CHAMSA 27 11 523 9000 27 11 523 9020 tumis@chamsa.org.za

TANZANIA

9. SMALL INDUSTRIES DEVELOPMENT ORGANIZATION (SIDO)

i. Mr. Mike Laiser Director-General, SIDO Tanzania Dar es Salaam 255(22) 215-1948 255(22) 215 1383 dq@sidoo.go.tz

UGANDA

10. MANAGEMENT TRAINING & ADVISORY CENTRE (MTAC)

- i. Mr. George Tumwesigye Executive Director, MTAC Uganda Kampala 256 (41) 221 012 256 (41) 223 853 mtacmkt@yahoo.com
- ii. Mr. Simwogerere Jehoshaphat Mukibi Trainer / Consultant, MTAC 221 011 2 /3 256 77 2365197 yekosimu@yahoo.com