



# Challenges and suggestions for optimal engineering capacity utilisation

**(Contr. to W/shop NO. 9)**

**By**

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## Outline

- Introduction
- Procurement process
- Training / mentorship programs
- The globalization concept
- Corruption
- Conclusion





# Introduction

- Capacity is defined as the amount that a given unit can hold or produce
- Workshop is for how best to utilize available resources effectively
- Assumption / reality that resources are limited
- Examples of Africa, Europe, Asia, America,
- Resources are therefore scarce





## Procurement process

- Documents have been prepared by IFIs and adopted without editing
- Prescription has been to use them as is where is basis
- Ideally they should be customised to regions and projects





## Procurement process contd.

- Conditions not matching complexity of projects. (Similar projects, number of staff, turnover)
- Stringent qualifications of personnel. (Academic and years of experience, similar projects).
- In some cases packaging of projects has been done deliberately to eliminate firms from LDCs (six regions one package)





## Training / Mentorship

- A forgotten subject – biting everybody now
- We should begin now (yesterday?)
- All projects must have a training component and money set aside
- Deliverables must be prescribed and outcome documented as part of TOR
- Should not be an optional item
- FIDIC, IFIs, MAs, Firms and every stakeholder must take an active role. We all stand to gain from quality consulting human resources.





# Globalisation

- UN Meeting in Istanbul attended by UN experts and representatives from Least Developed Countries
- Statements made in this meeting paint a negative picture of globalisation
- Wanton globalisation is marginalising LDCs to the point of near extinction.





# Globalization continued

UN statistics shows the following situation,

- In 1971 only 25 countries qualified as LDCs. Today the number is 50.
- LDCs account for 12% of global population while it attracts only 2% of global foreign direct investment mostly in oil and minerals.
- The share of LDC exports fell from 3.0 percent in the 50s to 0.7% in 2000.
- The share of agricultural exports dropped from 3.3% in the 70s to 1.5 in 1990.







# Corruption

- Corruption has been discussed at length
- Picture painted is that LDCs are key players
- Amounts of transactions is colossal
- The source of that money is not from LDCs alone
- Corruption must therefore be pursued at global context.
- Identify primary players, secondary (accomplices), book them and prosecute and met appropriate punishment. (Acknowledge blacklisting)





## Conclusion

- To address capacity utilisation effectively we have to correct anomalies stated above
- All key stakeholders need to take both short term and long term measures to address the situation.
- Globalisation should be addressed carefully to ensure that LDCs are not thrown out of the market.
- Corruption has been mentioned as a distressing problem of the industry.





## Conclusion contd.

- Clients on stand to benefit if there is strong consulting capacity.
- FIDIC should both lobby and facilitate or participate in preparation of appropriate procurement documents for use by IFIs.
- IFI should ensure that appropriate documents are prepared after carrying out a thorough research to include concerns in regions.
- We all need adequate capacity and let us embark on a holistic approach in capacity building so that then we can discuss about capacity utilisation.





**THANK YOU  
FOR YOUR  
ATTENTION!**

