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For Development & Investment
المكتب الاستشاري السوري للتنمية والاستثمار

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An Evaluation of Outcome A.2: ‘Improving Structures and Climate for Enhancing Trade, Investment and Competitiveness’

UNDP Business for Development Programme

Presented to:

UNDP
Damascus- Syria

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List of Acronyms

CPAP	Country Programme Action Plan
CSR	Corporate Social Responsibility
ESCWA	Economic and Social Commission for West Asia
EU	European Union
FAO	Food and Agriculture Organisation (of the United Nations)
GC	Global Compact
ILO	International Labour Organisation
IMO	International Maritime Organisation
LICT	Lattakia International Container Terminal
LPGC	Lattakia Port General Company
MDGs	Millennium Development Goals
MFTR	Memorandum of Free Trade Regime
MoET	Ministry of Economy and Trade
MoInd	Ministry of Industry
MoSAL	Ministry of Social Affairs and Labour
OSS	One Stop Shop (Syrian Investment Agency)
SPC	State Planning Commission
SIA	Syrian Investment Agency
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	UN Educational, Scientific and Cultural Organisation
UNRWA	United Nations Relief Works Agency
WTO	World Trade Organisation
WTOD	World Trade Organisation Directorate

An Outcome Evaluation of Outcome A.2: 'Improving Structures and Climate for Enhancing Trade, Investment and Competitiveness'

UNDP Business for Development Programme, Syria

Part 1

I. Introduction

A. Rationale for Evaluation

This evaluation, conducted by the Syrian Consulting Bureau (SCB), is part of UNDP Syria's mid-term review and consists of evaluating nine projects contributing towards outcomes identified in the UNDP Country Programme Action Plan (CPAP, 2007-2011). The evaluation took place between January and April 2010. It was originally agreed eight projects were to be evaluated in terms of their contribution to outcome A.2, which is:

Outcome A.2: Improving structures and climate for enhancing trade, investment and competitiveness

During an inception meeting with the UNDP team on 10 January 2010, SCB was requested to evaluate the contribution of an additional project to CPAP Outcome B.3, which is:

Outcome B.3: An empowered civil society involved in local community development and implementation of public policies, planning and programmes in place.

The eight projects evaluated under CPAP Outcome A.2 are as follows:

1. Enhancing the investment environment
2. Trade reform policies and pre-accession to WTO
3. Changing the mindset toward competitiveness
4. Preparatory assistance document to support industrial development strategy
5. Modernisation of the Customs Directorate
6. Modernisation of Syrian Maritime - Lattakia Port
7. Boosting Business and Tourism in Deir Ezzor
8. Support to the Agropolis Project

The additional project evaluated under CPAP Outcome B.3 is:

9. Enhancing civic engagement in CSR (Corporate Social Responsibility) through inclusive growth based civic-private sector partnerships (otherwise known as 'Global Compact')

The nine projects above began at different dates and have run for different durations.

B. Purpose of Evaluation

The overall purpose of the evaluation is to:

- Measure UNDP's contribution to the outcomes under assessment (A.2 and B.3). Government is directly responsible for achieving outcomes, while project outputs are the direct responsibility of UNDP
- Highlight findings and put forth recommendations. Three sets of recommendations are provided: 1) guidance on direction of current projects and

potential areas for future engagement; 2) general policy recommendations to Government and UNDP, and; 3) a summary of policy orientated recommendations for each of the nine projects. More detailed recommendations are made in Part Two of this report where individual projects are assessed in greater detail

This report is divided into two parts.

Part One presents an introduction to the evaluation, the development context within which the projects were conducted, the status of the outcomes, UNDP's contribution to affecting the outcomes, UNDP's partnership strategy, other factors affecting UNDP's contribution and our final conclusions and recommendations.

Part Two presents a detailed assessment of all nine projects including a summary, activities conducted, issues identified and key recommendations (to Government and UNDP). A series of annexes is provided at the end of the report.

C. Key Issues Addressed

Five key levels have been identified for the assessment of outcomes A.2/B.3 in Part One of this evaluation. These are:

- Status of change in the outcome
- Factors affecting the outcome
- UNDP contribution to the outcome
- UNDP partnership strategy for changing the outcome
- Factors affecting UNDP contribution to the outcome

In assessment of UNDP's contribution to outcomes, outputs of individual projects have been assessed with regard to the following criteria:[1]

Relevance: appropriateness of projects both to UNDP's mandate and to Syria's national development priorities
Impact: positive or negative, intended or unintended, changes brought about on outcomes
Efficiency: use of resources in terms of results achieved
Effectiveness: assessment of cause and effect towards achievement of outcomes
Sustainability: impact in the long run and ability of national capacity to maintain results

D. Role of Stakeholders in the Evaluation

Stakeholders play a crucial part in the evaluation process, informing questions to be addressed, identifying credible sources of evidence, reviewing findings and providing their own assessment of outcomes. Stakeholders can be divided into three main categories:

- **Those involved in programme formulation and implementation**: donors, collaborators, strategic partners, administrators, managers and staff

[1] For full definitions of each criteria see 'UNDP, Handbook on planning, monitoring and evaluating for development results, p.168-170, 2009'.

- **Those served or affected by the programme**: intended beneficiaries, relevant organisations, Government officials, sceptics and staff of implementing agencies
- **Primary users of the evaluation**: UNDP Directors and Managers, Business for Development programme staff and key strategic partners (particularly in Government Ministries)

Stakeholders have been identified at strategic and individual project levels (a full list of meetings held is provided in Annex C).

E. Limitations of the Evaluation

Constraints on this evaluation include:

- Limited up to date data to indicate impact on the Outcome (particularly on trade and investment)
- Difficulty in disaggregating cause from effect during a relatively turbulent period
- Relatively short time frame for the evaluation of nine projects

F. Methodology

The methodology used in this evaluation adheres to the UNDP's 'Guidelines for Outcome Evaluators' (UNDP, 2002) and since developed in the UNDP's 'Handbook on Planning, Monitoring and Evaluating for Development Results' (UNDP, 2009).

The evidence base for this evaluation has been constructed through:

- **A desk review of existing monitoring and evaluation systems**
  Performance indicators to measure progress, particularly actual results against expected results—although additional indicators may be used where appropriate
- **Reports and Documents** (a full list is provided in Annex H)
  Existing project documents including quantitative and descriptive information about the programme, outputs and outcomes
- **Interviews** (UNDP team members, stakeholders, partners, Government Ministries, NGOs, the private sector, key informants, experts)
  Person-to-person responses to pre-determined questions to obtain in-depth impressions and expressions
- **On-Site Observation** (Field Visits to Syrian Investment Agency, Deir Ezzor, Al-Ghab, Customs Directorate, Lattakia Port)
  Record accurate information of on-site activities, processes, interactions and observable results

Annex A (Methodology) details the evidence base used for the evaluation, Annex B the Definition of Terms used, while Annex C provides a list of meetings, interviews and field visits conducted for each project. A list of documents used in the evaluation is provided separately in Annex D.

Where possible we have sourced data covering the period 2004 onwards to reflect the outcome situation prior to the programme. Some indicators cannot be accurately verified due to data lag, particularly for data that relies on survey work rather than administrative data. Where there is no direct quantitative output we have looked for proxy indicators and gauged qualitatively the contribution of the project to the outcome.

II. The Development Context

A. UNDP Programmes in Syria

The Syrian Government and the UNDP are working together to assist with Syria's realisation of: i) the Millennium Development Goals (MDGs) adopted by all 192 UN member states in 2001; ii) objectives contained within the UN Development Assistance Framework (UNDAF) signed by the UN and the Syrian Government in 2006, and; iii) United Nations Conventions to which the Government and UNDP are committed.

UNDAF objectives are derived from the country's 10th FYP (2006-2010), which itself emphasises poverty reduction and achievement of the MDGs. UNDP Syria's Country Programme Action Plan (CPAP), prepared in 2007, sets out actions for delivering the outcomes and targets stated in the UNDAF.

This evaluation assesses the contribution of eight UNDP Business-for-Development projects to **'Outcome A.2: Improving structures and climate for enhancing trade, investment and competitiveness**.' This contributes to CPAP component one:

- Poverty reduction and economic growth

Outcome A.2 is aimed at supporting the Government in boosting economic growth and poverty reduction through a series of interventions, summarised as: i) enhancing the investment environment; ii) upgrading competitiveness of the economic sector, and; iii) facilitating trade. Each of the projects assessed in this evaluation is intended to contribute to at least one of the three above intervention areas.

SCB were requested to assess the contribution of an additional project to **'Outcome B.3, Empowering civil society involved in local community development and implementation of public policies, planning and programmes**.' This contributes to CPAP component two:

- Enhancing democratic governance, citizen participation and improving institutional, administrative and legal frameworks

Outcome B.3 is aimed at strengthening civil society to reduce the gap between citizens and Government through capacity building and providing technical assistance to civil society organisations in order to improve their active role in decision and policy making.

For context, the three remaining CPAP components are:

- Strengthening environmental management and environmental protection
- Improving disaster prevention and management
- Fighting HIV/AIDS, as well as reduce and prevent further spread of tuberculosis infection

Beneficiaries of UNDP programmes are the main target of interventions and refer to citizens in Syria, particularly those living below the lower poverty line, those suffering economically from regional disparities and those from vulnerable groups.

B. Evaluation Context

By 2005, years of central planning had left a highly protected, unsustainable, and inefficient domestic economy in Syria characterised by bureaucratic processes, a lack of competition, and low investment in physical / human capital and in capital formation. Low overall growth, stagnant manufacturing output, continued over-dependence on agriculture, a widening technological gap and falling oil revenue were all key symptoms of an economy in severe need of reform and revitalisation.

Social pressures were also mounting. The baby boom generation of the late 1980s was entering a labour market characterised by low job growth and lack of opportunity, while educational deficiencies meant graduates were leaving college and university without the skills and aspirations demanded by employers. In response to these pressures the Government announced an official transition from a planned economy to a 'social market economy' in mid 2005 and reflected this in the 10th Five Year Plan (10th FYP, 2006-10).

The UNDP's Country Programme Action Plan (CPAP) with its five outcomes identified above was designed to assist the Government and its partners with the aims and objectives outlined in the 10th FYP. The projects under assessment in this evaluation fall primarily under outcome A.2 but in part under outcome B.3.

C. Country Programme Implementation

Projects within Outcome A.2 have been nationally executed by the Government, represented by the State Planning Commission, Ministries and local administrations, in partnership with UNDP.

UNDP's role in the Partnership (evaluated in Section V) can be summarised as follows: assisting the Government in its donor coordination functions; identifying key partners; participating in development projects, advocacy initiatives and policy dialogues; designing and formulating new programmes; introducing innovative initiatives; administering and implementing joint programmes with other UN agencies; providing advisory and development services (including training, procurement and management), and; conducting internal evaluations of programme components.

A particular focus of UNDP Business for Development programmes is given to capacity building and we have purposely reflected this priority throughout the evaluation. UNDP defines capacity building as, 'the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner.'[2] Development of capacity building is therefore the process through which these abilities are obtained, strengthened, adapted and maintained over time.

Many of the projects being assessed within this outcome evaluation began prior to the original formulation of the CPAP of 2007. Likewise some projects have long since been completed.[3] As a mid-term outcome evaluation we have focused on the contribution of UNDP projects to the outcome (rather than simply evaluating projects themselves) and so the time period for this evaluation loosely covers the years 2006 to present (2010). Where applicable we have been sensitive to the historical context of issues and UNDP's involvement in these areas.

In the following pages we assess the status of the outcome, factors affecting the outcome, UNDP's Contribution to the Outcome (covering Impact, Relevance, Efficiency, Effectiveness and Sustainability), UNDP's partnership strategy, and factors affecting UNDP Contribution to Outcome. Part One of the assessment ends with conclusions and recommendations (to Government and UNDP).

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[2] Country Programme Action Plan, UNDP (2007-2011), p.8

[3] 'Towards Changing the Competitiveness Mindset' began in January 2005, 'Support to the Industrial Development Strategy' (which played a vital part in developing the 10th Five Year Plan) began in November 2005 and ended in September 2006, while 'Enhance the Investment Environment' began in January 2006.

III. Status of Outcome

A. Status of the Outcome

This section assesses how far Syria has moved towards achieving Outcome A.2 'Improving structures and climate for enhancing trade, investment and competitiveness,' and to Outcome B.3, 'Empowering civil society involved in local community development and implementation of public policies, planning and programmes' (although with less emphasis due to only one project contributing to this outcome, compared to eight for outcome A.2).

Outcome A.2: An Overview

In the 10th Five Year Plan the Syrian Government set out a vision in which the country is transformed by 2020 into one that is fully integrated into the world economy and has the confidence, institutions and creative talent to compete effectively in international markets. The Plan marked a step change in Syria's economic development, moving from a central planning model to a framework for transformation, with the private sector playing the major role in economic activity.

The 10th FYP envisaged public and private investments of US$36 billion over the period 2006-10 and the plan had three major economic objectives: acceleration of economic growth (targeting 7% of GDP growth by the year 2010), reduction in unemployment (from 12% in 2006 to 8% in 2010), and reduction of poverty (from 11% in 2004 to 9% in 2010). Alongside the plan the Government aimed at invigorating the private sector through reducing controls and improving the regulatory framework, facilitating trade and raising awareness of competitiveness.

Coming to the end of the 10th FYP, structures for trade, investment and competitiveness have advanced in the form of increased liberalization of trade, improved market legislations and upgraded institutional frameworks. Overall, this has impacted positively on levels of trade, investment and growth and we believe work done around competitiveness will eventually enhance competitiveness.

We summarise below the key changes to the structures and climate affecting trade, investment and competitiveness, then discuss the key factors responsible for this change.

Trade

Keen to liberalise its trade and to pursue further integration into the regional and global economy, Syria has taken several unilateral measures in recent years to liberalise its trade regime, has concluded a free trade agreement with Turkey and has taken steps to ease trade movement in and out of the country. It has also enhanced its strategy to promote exports. Efforts over this period have also led Syria towards the final stages of agreeing to the Association Agreement with the European Union and has also recently gained observer status to join the WTO.

In the first area Syria has significantly reduced and simplified tariff barriers to imports. The median tariff has been reduced from nearly 30% to around 15% (with the highest tariff level reduced from 265% to 60%) and the number of tariff bands has fallen from 24 to 11. In the second area, free trade now exists with Arab countries in the context of (GAFTA) and in the context of bilateral free trade agreements. It also exists with Turkey in context of a bilateral free trade agreement.

Steps have been made to ease trade movement in and out of the country through technology upgrades at the Customs Directorate. Although work is still required to simplify processes, private companies now operate the container terminals at the two major ports at Lattakia and Tartous, which should lead to greater efficiency of goods handling. An export development fund has been established by the Government to improve international marketing and increase export credit financing.

The trade climate has been given a boost internationally through high-level diplomatic and presidential visits and domestically through the organisation of several trade conferences. As a result trade relations have improved and there is more focus within business on enhancing the competitiveness of Syrian goods for export and a wider awareness of the threat of imports.

Despite these improvements, trade levels are still comparatively low and exports remain raw materials based and low on technology content. There is evidence that GAFTA has been abused by the re-labelling of Chinese and other countries' goods as GAFTA origin (largely conducted in other GAFTA countries) and the Government has been a vocal supporter of enforcing GAFTA compliance. Goods remain expensive to import and export (due to bureaucracy, tariffs and duties, security limitations and cost of corruption), which limits competitiveness.

Investment

Since 2005, Syria's investment environment has been significantly upgraded through the introduction of new investment laws, the creation of the Syrian Investment Agency the emergence of private banks and insurance companies, and the establishment of the Damascus Securities Exchange. Investment in human capital has also risen shown by a growing number of private schools and universities in response to new laws encouraging their establishment.

Industrial investment has increased in response to increased government support to the three main industrial cities of Adra, Hassia and Sheikh Najar, with a recent one in Deir Ezzor. The total number of factories granted licenses for construction in the four industrial cities was 2,884, although only 599 factories are actually producing (as of the end of 2009).

As a consequence of these established structures and institutions, the investment climate has benefited from related activities around improving investment procedures, promoting and discussing investment issues and providing a more receptive and dynamic set of institutions for investors and the Government to engage within.

The business community itself has also organised into common interest groups to represent and project its needs and interests, which has resulted in a number of high profile conferences.

While investment has increased, it is still relatively low as a percentage of GDP and requires a determined shift away from low productivity sectors, such as real estate, towards upgrading manufacturing, agriculture, infrastructure, technology and human capital.

On the Government side, investment coordination is still weak and there is a lack of national investment vision and strategy. Starting a business and doing business is expensive and time consuming, multi-nationals are still not coming with capital and know-how. Syria suffers from a poor image abroad and there is no clear branding of what Syria has to offer.

Competitiveness

The Government with the support of the UNDP project has taken a number of steps to change the mindset with respect to competitiveness. Competitiveness was not a common concept in either the public or private sectors; a strong feature of the outgoing socialist legacy.

The most obvious institutional change has been the establishment of the National Competitiveness Observatory (NCO) in the Ministry of Economy and Trade (since 2009 the NCO passed to SEBC[4]). The NCO and the National Competitiveness Team (NCT) played a significant role in introducing the concept of competitiveness to public and private institutions, conducting studies on a number of industries, as well as ranking the competitiveness of the economy in the World Economic Forum (WEF) Competitiveness Index.

Furthermore, several legislative steps taken towards further liberalisation of the economy, allowed the economy to respond more rapidly to competitive pressures. Steps included unification of exchange rates, reducing price market controls, reducing subsidies, revising elements of the trade regime and promoting industrial clusters through the industrial cities. Each of these structural changes has allowed private companies to adapt to changing market conditions and to be more competitive at home and in international markets.

Public companies on the other hand remain largely unprofitable (only 10% of 260 enterprises are thought to turn a profit), saddled by bureaucracy, surplus labor, outdated technology and a lack of incentive to carry out internal reform. Despite some attempts to address public sector companies little has been achieved and this area remains a drain on Government finances.

While the concept of competitiveness has been introduced, both public and private sectors are still grappling to understand how to translate theory into practice. Syria lags behind in management skills, soft skills and technological adoption rates, which hamper its competitiveness. But competitiveness is now recognised by Syrian policy-makers as an important policy objective and changes have occurred in the mindset, which is encouraging for future activity.

Empowered Civil Society

Recognition of the importance of an active and empowered civil society has been an important development in recent years. A major conference was held in early 2010, under the patronage of the Syria Trust for Development, encouraging civil society groups to be involved and be active in furthering the development goals in the country.

The general climate for NGOs and other civil society actors is improving and a new law regulating NGOs is expected before the end of 2010. The number of registered NGOs has increased, and new NGOs are tackling issues such as the environment, microfinance, entrepreneurship, youth unemployment and rural development. A number of businesses are also entering into co-operation with NGOs led by some of the large multinational companies that have entered the Syrian market, applying Corporate Social Responsibility (CSR) practices from other countries. The new NGO law and continued coordination through the Ministries should enhance citizens' ability to organise to achieve joint aims and interests to strengthen economic, social and cultural development within communities.

[4] Syrian Enterprise Business Centre

SCB

B. Factors Affecting the Outcome

We have listed three key factors impacting the structures and climate of Investment, Trade, Competitiveness and the empowerment of Civil Society in Syria. These are: 1) Global and Regional Economic Climate; 2) Domestic Economic Reform, and; 3) Political Climate.

1. Global and Regional Economic Climate

The global economy during the period 2004-2010 is characterised by a relatively strong phase of growth up until the financial crisis of 2008 and subsequent global slow down and reduction in trade. Global GDP growth was negative in 2009, although the Middle East and Syria were less affected (see table below). Global trade volumes declined by over 10% in 2009.

As Syria entered the 10th FYP, and with it a new commitment by Government to integrate into the global economy, the world was seeing unprecedented levels of trade between regions fuelled by high consumption levels in developed markets based on high levels of liquidity. Over the next three years investment increased, growth climbed to over 8% (in 2006) and high demand for oil drove prices to over $145 a barrel, benefiting Syria's exports..

		2004	2005	2006	2007	2008	2009a	2010b
GDP (% change)								
	World	4.9	4.5	5.1	5.2	3.0	-0.6	4.2
	Middle East[5]	5.8	5.4	5.7	5.6	5.1	2.4	4.5
	Syria	13.0	6.7	8.5	7.2	7.4	4.6	5.8
Inflation (% of consumer prices)								
	World	3.6	3.8	3.7	4.0	6.0	2.4	3.7
	Middle East	6.5	6.4	7.5	10.0	13.5	6.6	6.5
	Syria	4.4	7.2	10.4	4.7	15.2	7.5	6.0
Trade (% change in value)								
	World	10.7	7.7	8.8	7.2	2.8	-10.7	7.0
	Middle East	Na	na	na	na	na	na	na
	Syria	46.4	26.0	11.9	22.0	22.4	na	na

Source: IMF World Outlook Economic Database, April 2010
(a) denotes estimates
(b) denotes forecasts

A collapse in real estate prices in the USA led to a banking crisis. By mid 2008 inter-bank lending had seized-up and liquidity drained out of the market. Businesses suffered as banks became inoperable and workers were laid off. Governments around the world vastly increased spending leaving many of them with large and unsustainable debt burdens, the effects of which are still unfolding.

In terms of the effects on Syria, the period leading up to the crisis placed an increased focus on developing the investment environment, liberalizing and facilitating trade, furthering integration into the global economy and attracting foreign investments especially from the Gulf. However, much of this investment was focused on real estate, which generated speculative land and property purchases.

Post-crisis the effects are still playing out, but there are signs of a reduction in trade and investment and a renewed focus within the economic reform programme on ensuring

[5] Includes: Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, UAE, Yemen

sufficient safeguards and regulations are in place, as well as adequate provision of social welfare safety nets.

2. Domestic Economic Reform

The Government's economic reform agenda of the last five years has been instrumental in setting a new economic direction towards a social market economy, focused largely on creating an upgraded institutional framework and revising trade and investment policies.

Investment institutions have been introduced, investment laws revised and trade increasingly liberalized. Moves to facilitate trade focused on reducing tariff barriers and average tariff levels, creating more efficient transport infrastructure, and signing further trade agreements. The government also started to focus on micro economic policies encouraging entrepreneurship and enterprise development.

This strong commitment to reform helped UNDP with its mission to assist the Government towards achieving objectives in the 10th FYP.

3. Political Climate

The period under assessment began with a strained political environment, as Syria stood up to renewed hegemony schemes in the region. Since 2008 the climate has shifted, reflected by the moderation of external schemes and a renewed interest in understanding and in engaging Syria rather than attempting to isolate it. Nevertheless, poor relations with the USA constrained investment from multi-nationals (the Syria Accountability Act (2004) restricted US companies, and others using US components, from doing business with Syria). The new atmosphere of engagement, led the EU to decide to sign the Association Agreement with Syria, but Syria requested more time to review the documents.

Regional ties strengthened with Iran and notably Turkey resulting in upgraded trade agreements. Tensions with Lebanon also eased. There has been greater engagement from the USA at a diplomatic level and most recently it removed its WTO veto, letting Syria take observer status as a start to WTO accession talks.

IV. UNDP Contribution to Outcome

The overall assessment of the contribution of the nine projects within the UNDP Business for Development Programme seeks to answer two questions:

What progress has UNDP made towards the CPAP outcomes?

What progress has UNDP made in delivering CPAP outputs?

Government has ultimate responsibility for achieving outcomes, while UNDP has ultimate responsibility for achieving outputs.

Eight projects fall under Outcome A.2 and one under Outcome B.3. Full assessments for each project are in Part Two of this report.

The nine projects are assessed according to the following five criteria:

A. **Relevance:** appropriateness of projects both to UNDP's mandate and to Syria's national development priorities

B. **Impact**: positive or negative, intended or unintended, changes brought about on outcomes

C. **Efficiency:** use of resources in terms of results achieved

D. **Effectiveness**: assessment of cause and effect towards achievement of outcomes

E. **Sustainability:** impact in the long run and ability of national capacity to maintain results

A. Relevance

Appropriateness of projects both to UNDP's mandate and to Syria's national development priorities.

The eight projects are all considered, to different degrees, relevant to national priorities contained within Outcome A.2 with one project, Global Compact, also relevant to Outcome B.3.

We judge three projects as most relevant and appropriate to UNDP's mandate. These are: Project One: Enhance the Investment Environment, Project Two: Changing the Competitiveness Mindset, and; Project Four: Support to the Industrial Development Strategy.

We consider two projects: Modernisation of Customs Directorate, and; Modernisation of Syrian Maritime—Lattakia Port) as highly relevant to national priorities. However, we consider, given UNDP's core strengths, these projects did not reflect the best use of UNDP resources and UNDP's comparative strength. Nevertheless, UNDP made a valuable contribution, which has resulted in useful outputs in both projects.

Of ongoing projects, the Investment Environment and WTO Directorate projects established highly relevant institutional structures, made significant contribution to improving policy and helped upgrade capacity within these institutions.

The Investment Environment project contained particularly relevant activities in institution-building through the establishment of the Syrian Investment Agency (SIA) and One-Stop-Shops (OSSs) (which improved investment licensing), and made contribution to capacity-building in the form of staff training (improving customer service in the SIA and OSSs), and to policy making in terms of revisions to investment laws.

The WTO project is highly relevant not just for WTO accession but for upgrading awareness and knowledge within Ministries of bilateral and multilateral trade agreements and Syria's trade policies. Relevant activities included institution building through the establishment of a new institutional framework (WTO Directorate, a WTO Steering Committee and Inter-Ministerial Taskforce, plus focal points in relevant Ministries), capacity-building through training to Directorate staff, Ministry staff, parliamentarians and the media, and policy-making through the drafting of the Memorandum on Free Trade Regime (a key document to be submitted to WTO Geneva).

Of closed projects, the Competitiveness and Industrial Strategy projects remain relevant to both national priorities and UNDP's mandate.

The Competitiveness project was highly relevant in introducing the concept to both public and private sectors and changing the mindset in an economy affected by central planning where public monopoly dominated and competition was considered counterproductive to socialist ideals. The emphasis was rightly placed on measuring competitiveness as a means to changing the mindset while the future will focus on understanding how to formulate and implement policy to improve competitiveness.

However, with the NCO (established by the project) now moved to SEBC, Government has lost the momentum and the opportunity to improve a much-needed capacity building at the Ministry of Economy and Trade (MoET) to improve competitiveness policies. We believe UNDP should still have a role in developing capacity of the new Planning and Competitiveness Directorate in the MoET.

The Industrial Strategy project was a most relevant project but activities did not translate into a sustainable and demonstrable impact (expanded on below). With no official industrial strategy still and no industrial development direction, UNDP still has a role to play, assisting SPC and the Ministry of Industry to address these shortcomings.

Global Compact was a relevant project for empowering civil society in local community development (Outcome B.3). Relevant activities have been to engage the private sector to conform to the ten Global Compact principles governing work practices, and GC has brought NGOs and business together to achieve development outcomes. More focus on activities encouraging compliance with GC principles would increase relevance to Syria's development priorities.

Overall, we judge that while most projects were relevant to the outcome we would like to have seen more activities aligned with achieving the objectives of the outcome as stated in UNDP's CPAP (p.10) designed to:

- Foster entrepreneurship and enhance competencies of entrepreneurs to move from job seekers to job creators
- Enhance the capacity of the industrial sector at the macro and micro levels
- Upgrade competitiveness of the economic sector, including the public productive sector
- Strengthen national strategies, policies and mechanisms for enforcing compliance with international quality assurance standards
- Introduce research and development and technology (to foster innovation)
- Provide technical support and capacity building for the financial sector

– Improve competencies of private and public sectors to help SMEs have better access to financial resources

These are areas which are specifically identified in the UN's Development Assistance Framework and should have been given priority, for example, over projects to reform Customs or Modernise Lattakia Port.

We note other donors such as the EU and GTZ are working in some of the above areas, with some instances of overlap, but also a lack of activity in other areas where UNDP could have partnered. SPC should have better coordinated donors and worked with UNDP to ensure donors were working to leverage their comparative advantages.

This raises the questions about the process and procedure of selecting projects for UNDP support. We consider that there is a lack of focus in the Business for Development portfolio, which could be quickly improved with better targeting of UNDP resources through planning procedures.

B. Impact

Positive or negative, intended or unintended, changes brought about on outcomes

We consider UNDP to have had a positive impact on outcomes through the following projects: Investment Environment, Competitiveness, WTOD, Global Compact, and Old Souqs. We believe stronger impact on the outcome could have been achieved, but was largely constrained by poor policy making and low implementation capacity in Government (with other factors, discussed further below).

The Investment Environment project brought a positive impact to improved investment structures through establishment of the SIA and OSSs and review of several laws (covering investment, competition and disputes). Investors can now access services for licensing projects in several OSSs throughout Syria.

However, despite these activities and some improvement on the outcome, impact is still compromised by a fragmented investment structure, which lacks an umbrella law and organisation, lack of a comprehensive national strategy for directing investment and poor legal system including enforcement of contracts. In addition, starting a business is still constrained by complex bureaucratic procedures and the cost of doing business remains high. These areas together with continuing to strengthen the capacity of SIA in order to maximise future impact on outcome, and UNDP, with other partners such as the EU, has a role to play here.

The Competitiveness project worked most at improving mindset. This was difficult to measure but nonetheless tangible. At a structural level the establishment of the NCO and a cross-Ministerial NCO team had an impact on raising awareness within Government departments and to lesser an extent in the private sector. Inclusion in the World Economic Forum Competitiveness indicators will help create better data for policy formulation and comparison.

However, policy recommendations contained in the 2007 Competitiveness Report (no Competitiveness Reports were produced in 2008 and 2009) were largely left unimplemented and therefore the potential impact was not fully realised (although studies on textiles and leather industries instigated policy decisions by Government). In addition, an unfortunate handover and transition of the NCO to SEBC has constrained Government capacity for changing competitiveness policy, so future sustainability of the capacity to impact the outcome has been weakened.

The WTO accession and Trade Policy Reform project had a good impact at a structural level within Government, establishing the WTO Directorate and Steering Committee. Policies have been revised to ensure greater harmony between current laws and WTO requirements. Awareness-raising activities in Ministries, with the media and among parliamentarians all impacted positively the climate for understanding trade regulations and implications of current free trade agreements (eg, GAFTA) and future agreements (eg, EU Association Agreement and WTO accession). Future impact could be maximised with greater coordination between the WTOD and teams in the other trade directorates within the MoET, which may be helped by bringing them under one umbrella.

In Global Compact projects, intended to empower civil society to get involved in local community development, GC has worked hard to foster a network of businesses, NGOs and education institutions to come together to achieve several development outcomes in the field of combating cancer, vocational training and boosting business in Deir Ezzor. While the project has not yet impacted public policies it is working to help businesses towards implementing the ten Global Compact principles. More emphasis on working with businesses with compliance would help raise impact. This is expected to ramp-up as the deadline for companies to submit compliance reports approaches over the next year. The project has considerable future potential to impact civil society's inclusion in developing and implementing public policies / programmes.

The Deir Ezzor project impacted the local trade environment by acting as a catalyst to the renovation of the old souqs and involved consultants from UNESCO as well as Emaar, a construction developer, who entered the project through Global Compact, demonstrating good cross-project working. A planned training and resource centre, to be renovated by the Chambers of Commerce, shows the impact UNDP can have when leveraging networks and focusing on project planning.

The Customs project suffered from resistance and poor support at times from Customs Directorate officials, so despite achieving individual outputs the project has not had the intended impact on improving trade structures. For UNDP's part, a greater impact may have been achieved with planning for activities around change management and process reforms, and not just technical implementation and training.

The Industrial Strategy project produced well-received analytical studies and the technical assistance was highly valued, providing material for the Industrial Chapter of the 10^{th} Five Year Plan. However, the Ministry of Industry failed to implement many of the policy recommendations from the studies and workshops, and there was a failure to officially adopt an Industrial Strategy, leaving industrial policy without a clear direction. Although largely the fault of the Ministry, it was unfortunate for UNDP / UNIDO not follow up sufficiently with the Ministry on recommendations. That UNDP exited this project when outputs had been achieved, without a clear impact at an outcome level, shows the need for Government and UNDP to design all projects with exit strategies that include outcome focused success criteria.

With the Ports project UNDP has set a clear vision for port expansion, established terms for increasing silo capacity and set the specification for the training centre. In this sense the preparatory work has had an impact on the strategic direction at an output level and with the right decisions from Lattakia Port General Company could be converted into impact on the trade climate at an outcome level. The Ministry of Transport's decision to expand the port suggests that this will indeed occur.

We judge UNDP's contribution to the planning phase of the Agropolis project to have been invaluable in setting up the right institutional framework for implementation and as the project develops we expect to see considerable impact at a local level, with potential for the template to be duplicated elsewhere.

Overall, impact could have been improved had Government capacity to implement been more realistically estimated (and Government itself made decisions, some of which are still outstanding) and the Partnership Strategy been better leveraged, particularly with projects being conducted by other parties. We expand on these conclusions and make related recommendations in Section VII of this report.

C. Efficiency

Use of resources in terms of results achieved.

We judge efficient use of resources as one of UNDP's core strengths, achieved through the ability to leverage technical expertise and products from within UN agencies at low cost, and ability to broker between project partners as an objective party. Efficiency was occasionally weakened by poor decision making by Government, which wasted resources, but also delayed the time delivery of projects.

The Competitiveness, Global Compact and Deir Ezzor projects used both human and financial resources extremely efficiently to produce value for money results. The Competitiveness team produced studies, training and workshops beyond original expected outputs, with a positive impact and minimal budget.

Global Compact operates on a relatively small budget but has worked well in leveraging the resources of private businesses into development projects. Government is now funding the project in its final years—a positive sign of value for money. Similarly, the Old Souqs project brought in experts from other UN agencies and through Global Compact engaged technical resources from Emaar in the modelling of the old souqs renovation. This demonstrates UNDP at its best, using its own resources as a catalyst to leverage technical expertise from within the UN but also other parties.

The Investment Environment, WTO accession, Industrial Strategy and Port Modernisation projects mostly used resources well.

Two changes in location of the SIA meant double re-furbishing at UNDP's expense, wasting resources, and delaying the time delivery of projects. Better decision-making by Government could have avoided this disruption. The removal of the original WTO Directorate employees meant that resources spent training staff were unfortunately lost. However, we note that much work is being done in this project to institutionalise and codify information so that staff changes have less of a negative impact, which is welcome.

Studies produced for Lattakia Port Modernisation provided a strong direction for future activities at a relatively low cost, however the lack of decision making by Lattakia Port has meant this efficient use of resources has not been translated into impact on the outcome. The same criticism must be applied to the Ministry of Industry for failing to implement a series of studies produced by UNDP / UNIDO. We pay particular focus to limitations of Government to make decisions and implement in our final recommendations.

The Customs project succeeded in offering value-for-money delivery of the hardware and software, well below what private companies were offering. This was achieved by being a non-profit organisation, being able to recruit competent staff from within the UN and in obtaining the ASYCUDA software at extremely low-cost. However, we marked this project down for not investing more resources in activities to plan for change within the Directorate and to revise processes and procedures. However we also recognise that had a private company implemented the project, many of the factors that limited impact on the outcome (resistance and lack of leadership from Customs) would still have been present and the overall cost would have been higher. For UNDP's part we judge that an opportunity was missed to work with the EC's Trade Enhancement Programme, which has a limited budget but works on a key component that contributes to the outcome of an enhanced trade structure.

Overall, there are many examples of UNDP leveraging resources of other parties into projects (particularly within the UN); however, this must be extended to planning projects with other key donors (EC, GTZ, JICA, etc.) to reduce duplication, work to each other's comparative advantage and ensure the most effective use of resources within the overall partnership strategy.

D. Effectiveness

Assessment of cause and effect towards achievement of outcomes.

Effectiveness of UNDP's contribution to outputs has been high, but contribution to outcomes has been constrained by three key points: 1) projects were too focused operationally on delivering outputs, rather than working in an outcome-focused manner; 2) projects did not seek to work actively with other donors, and; 3) the limitations of Government capacity to implement and use outputs to effect outcomes.

Outputs achieved in the Investment Environment, Competitiveness, WTO and Lattakia Port projects were all considered to have effectively contributed to improvements in the structures and climate of investment, trade and competitiveness.

The Investment Environment project established revisions to investment laws, built institutional structures and built a strong working relationship between the SIA and UNDP. Despite some severe limitations regarding investment coordination, strategic direction and customer service, there is a discernable improvement to the outcome and UNDP's contribution must be considered as effective.

Activities conducted by the Competitiveness project helped change the competitiveness mindset within the public sector and to a lesser extent the private sector. In the public sector this ran through Ministries from low level public servants to Ministers, and changes in certain legislation (eg, removing the price control on cotton thread) proved effective in improving competitiveness of the textile sector.

The WTO project has clearly helped to establish an effective institutional structure that is having tangible results in raising awareness and working towards preparation for WTO accession. We recommended the Directorate would be more effective if more tightly integrated with the other trade directorates (possibly under one umbrella) and with increased technical capacity, separate from the UNDP team.

As mentioned above, where outputs were achieved, namely with the terminal contract, the Lattakia Port project demonstrated effectiveness at an outcome level in improving trade structures. However, although studies were produced on the port silos, port expansion and the training centre, a lack of decision making by LPGC has limited the effectiveness of these outputs at an outcome level.

We found the overall effectiveness of the Customs and Industrial projects to be low, on outputs and on outcomes, though this sometimes reflects factors beyond UNDP's control.

However, we concluded for the Customs project that more focus by UNDP on change management may have addressed some of the resistance issues, while more emphasis on streamlining processes prior to implementing ASYCUDA software would have increased effectiveness of these outputs on impacting the outcome. In summary, a centralised project management mechanism was needed to ensure that all aspects were working together and as a result of its absence, the project did not constitute a best-practice IT and process implementation.

That the outputs produced by the UNDP team for the Industrial project were not translated effectively into a clear strategy and policy is almost entirely the responsibility of the Ministry, however no activities were conducted by UNDP to strengthen technical capacity of the Ministry to implement, which may also have reduced potential effectiveness, and we question whether UNDP should have exited before the intended objective had been achieved.

Both the Old Souqs and Agropolis projects have been effectively planned and, as activities progress, we expect a high impact on the outcome in these local areas.

E. Sustainability

Impact in the long run and ability of national capacity to maintain results.

We consider planning for sustainability of outcomes to be inadequate, without clear exit strategies described in most project documents. It was not always clear in advance what the criteria were by which UNDP intervention would cease, how UNDP would exit, and how UNDP would secure long-term sustainability to assure continued impact on outcomes. As a result, there are sustainability concerns in particular for the Competitiveness, Industrial Strategy, and Customs projects.

The Investment Environment and WTO accession projects included activities focused on strengthening staff capacity, codifying knowledge and institutionalising the workflow, which is welcome and should contribute to long-term sustainability. UNDP is now making steps to ensure the long-term sustainability of Global Compact (there was no clear exit strategy in the original project documents) and we recommend maintaining the neutrality of the organisation in order to maintain close ties to both business and NGOs.

Original project documents for the Competitiveness project discussed different scenarios for handover and the option was left open. When a decision was finally made to move the NCO to SEBC, the capacity built by the UNDP team in the Ministry of Economy and Trade was lost. There is a good case for the NCO as an “Observatory” to be outside the government structures, as it is at SEBC. Independence would allow it to produce respected WEF ranking and strong relations with the business community could be leveraged to communicate business needs through reports for particular sectors. But competitiveness policy itself needs to come from within government. Also a poor handover to SEBC resulted in a loss of project momentum and we fear much of the policy orientated work carried out by the UNDP team is not being adequately followed up on.

Studies produced in the Industrial Project were well received and of high quality, but an absence of activities to build capacity in the Ministry of Industry has resulted in limited ability to implement and no planning was put in place to ensure a long-term impact of this work on the outcome. The fault here largely lies in the project planning stages with SPC and the Ministry, and especially the lack of clear decision by the government to push implementation activities. Given the amount of work done on industry by several donors, and with limited discernable impact on outcomes, it is clear long-term sustainability of outputs will only be achieved if attention is paid to project planning and most of all to strengthening implementing capacity in the Ministry.

The Customs project contained very little project planning for ensuring long-term sustainability. The decision to build the ASYCUDA training centre came late in the project cycle and constitutes the exit strategy for UNDP / UNCTAD. We doubt whether the training centre will have the capacity to continue much needed work in getting the ASYCUDA software fully functioning (adding modules such as risk assessment) and in improving processes, which is beyond its mandate. There was also no allocation of resources for maintenance of the high-tech systems installed and Customs official themselves have raised depreciation of equipment as a concern.

The Agropolis project appears to have been planned well and includes a specific output to upgrade 'institutional and human development' and involves conducting a study to produce a strategy to achieve this. We recommend on identifying the key parties responsible for taking the project forward once donor intervention has finished, which would help ensure an outcome based focus.

Overall, there are lessons to be learned in project planning, particularly for understanding the exit strategy before entering into a project, and in building capacity through training and institutionalising workflow. Our main recommendation for enhancing Government capacity to ensure sustainability focuses on strengthening Human Resources departments within Ministries, so that sufficient capacity is generated internally to identify needs, plan for training and implement, without continual reliance on outside assistance for capacity building.

V. UNDP Partnership Strategy

A. UNDP's Partnership Strategy in Syria

According to the 'Partnership Strategy' section of the 'Country Programme Action Plan (CPAP) 2007-11, p.16' UNDP will:

> *'use its unique position as a flexible, impartial organization with countrywide coverage and consistent with its mandate to support coordination efforts … reinforce and expand social compacts by helping cooperation between Government and civil society organizations and promote cooperation with leading national and international businesses based on the principles of social responsibility and public-private partnership.'*

UNDP's contribution to the Partnership is stated in the CPAP as following eight principles:[6]

1. Assisting the Government in its donor coordination functions with financial and technical resources, by building a national strategy and capacity in aid management, while fostering a dialogue with the donor community
2. Identifying key partners and facilitating access to policy, practice and advocacy networks
3. Co-leading with the Government and participating in development projects advocacy initiatives and policy dialogues
4. Designing and formulating new programmes in accordance with national priorities
5. Introducing innovative initiatives and best practices and providing catalytic funding for ground breaking initiatives
6. Administering and implementing joint programmes with other UN agencies
7. Providing advisory and development services, including training, procurement and evaluation
8. Conducting internal evaluations of programme components and the management framework (such as this one)

B. Partnership Performance

For the nine projects in this evaluation UNDP partnered with the State Planning Commission and the following UN institutions, private companies, NGOs and external donors:

UN institutions: UNCTAD, UNIDO, UNESCO, UNRWA, ESCWA, FAO, ILO, IMO

Private Companies: Emaar, Total, MTN, Bank Byblos, Syriatel

NGOs: Basma, Deir Ezzor Chambers of Commerce

External Donors: World Economic Forum, AECID

It is of note that no official partnership was made in any of the projects with the several foreign donor organisations including the EC, JICA and GTZ, who are all

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[6] UNDP Syria CPAP 2007-11, p.17

major contributors to the Government's economic reform programme. We note that there were UNDP efforts to include some of these donors, but with no success.

Notable outputs achieved by UNDP and partners in collaboration were:

1. Investment project brought a new investment decree and decree to establish the SIA and One-Stop-Shops (UNDP brought together experts from within the region, ESCWA, Jordan, etc.) which impacted upon improving the investment outcome;
2. Customs project overcame resistance and technical issues to install hardware and software (UNDP worked with UNCTAD in a difficult operating environment) which impacted on the trade outcome;
3. Competitiveness project worked with WEF to bring Syria into the WEF competitiveness rankings which impacted on the competitiveness outcome;
4. Global Compact brought several private businesses and NGO projects together to achieve development objectives and has in general grouped leading businesses under a single umbrella (who will also represent GC Syria at a conference in New York in June 2010);
5. Industrial project worked with UNIDO to produce effective studies (although unfortunately these were not followed through on by the MoInd and had a limited impact on the outcome);

Two projects in particular demonstrate UNDP maximising the partnership strategy to achieve outputs and impact upon outcomes.

6. The Agropolis project looks to have established a strong partnership of stakeholders including three Ministries (Tourism, Agriculture, Local Administration), FAO, UNIDO and the Italian Government.
7. The Old Souqs project instigated a particularly successful partnership by bringing together UNESCO, Chambers of Commerce, Emaar (through Global Compact) and other stakeholders to produce studies of the Old Souqs, important historical sites, and worthwhile co-operation with another UNDP project to support business innovation and development.

Overall, the partnership has had a discernable impact on outcomes. Investment structures were improved through the establishment of new institutions and investment law and ongoing training by UNCTAD should help upgrade service in the SIA and OSSs. The approach to the Old Souqs and Agropolis projects looks promising for encouraging further investment in these areas. Trade structures were improved through installation of an automated system at Customs with UNCTAD (although greater impact will be achieved once functionality improves) and competitiveness structures were improved through inclusion of Syria in the WEF ranking.

Missed opportunities identified during the evaluation were:

1. Investment project did not tap into EU's Business Environment Simplification Programme to help streamline processes for business and project licensing
2. Customs project did not tap into the EU's Trade Enhancement Programme (and its predecessor) to work together towards changing processes ahead of the ASYCUDA installation. The EU could have benefited from UNDP's relationship with SPC and Government to assist in the coordination of

information for the benefit of the overall outcome. Potentially the Ministry of Communication should have been brought in at the project planning stage to ease hardware installation.

Therefore, we judge that while the Partnership impacted the outcome it was constrained for three main reasons:

1. Poor capacity within implementing partners (SIA, Ministry of Industry, Customs Directorate, Lattakia Port General Company)
2. Project planning was not done actively with other donors to take into account other activities as well as each donor's comparative strengths (Investment Environment and Customs in particular)
3. Missed opportunities to work with other donors

We must conclude there is no partnership strategy as such, but rather a statement of approach in the CPAP to partnership working and principles by which UNDP define their contribution to the partnership. While partners appear to be identified by UNDP at project inception stage and embedded within the strategic approach at a project level (although none of the major international parties were included), other donors are not identified during strategic planning at the outcome level (the CPAP).

While UNDP has a programme specifically assisting the SPC with donor coordination, SPC is fully responsible and must plan strategically across all its partners, either at the inception of donor's long-term plans or at individual project inception stage, in order to further progress towards achieving outcomes.

C. Overall Effectiveness

Overall, UNDP's contribution to the Partnership can be summarised as providing: technical assistance, cost effectiveness, capacity building, and ability to enable and leverage partners into projects.

We make the following conclusions regarding the overall Partnership Strategy:

1) UNDP enjoys a special relation with the Syrian Government and in particular in partnership with SPC. SPC views UNDP as a technical assistance partner, rather than a donor organisation. There is evidence of a high level of trust and strong working relation between UNDP and Government.
2) UNDP's role in the Partnership with Government is most effective when working as an enabler by leveraging its network and ability to coordinate with partners to bring the right skills and resources into projects. UNDP works less effectively as an implementing organisation (eg, Customs), which would be better served by the private sector. UNDP could still contribute in projects requiring implementation (such as Customs) but at a project management level focused on achieving outcomes.
3) Strong relationships were formed between UNDP and the SIA and MoET (for both the Competitiveness and WTO projects) and we recommend these relations to continue beyond current project timeframes. Global Compact stands out for its achievements in bringing together Ministries, Chambers, private business, universities and NGOs in a cohesive and dynamic partnership. UNDP's ability to leverage expertise from within the UN network (UNCTAD, UNIDO, UNESCO, UNRWA and ESCWA) has demonstrated

UNDP's ability to coordinate technical partners to achieve technical outputs, although this needs to be extended to parties outside UN agencies.

4) UNDP has contributed to the Partnership Strategy in seven out of eight principles outlined above. UNDP is assisting the Government with donor coordination activities (Principle 1); has co-led with the Government to participate in projects, advocacy initiatives, policy dialogues (Principle 3); designed and formulated new programmes (Principle 4); introduced new initiatives and best practices (Principle 5); administered and implemented joint programmes with other UN agencies (Principle 6); provided advisory and development services, including training, procurement and evaluation (Principle 7), and; conducted internal evaluations (Principle 8).

5) We judge UNDP has had less success contributing towards Principle 2, Identifying key partners and facilitating access to policy, practice and advocacy networks, particularly with international donor organisations.

With no active national strategy in aid management and little evidence of effective dialogue within the donor community, SPC, as lead party, must take responsibility for this. We develop our recommendations for SPC to address concerns regarding donor coordination and planning, and UNDP's role in this, in our final conclusion and recommendations. However, we note that UNDP is already actively working with the SPC on this issue, and encourage that work to continue.

VI. Factors Affecting UNDP Contribution to Outcome

The below factors have been identified as positively or negatively affecting UNDP's contribution to achieving outcomes.

Positive Effects

1) UNDP's Mandate and Strengths

UNDP's legal mandate for working with the Syrian Government is established by a Standard Basic Assistance Agreement signed in 1981. UNDP derives its operational mandate and outcome focus from Syria's 10^{th} FYP (2006-2010). Because Government priorities expressed in the 10^{th} FYP internalise UNDP's main strategic aims (the Millennium Development Goals) there is a coherence of direction, language and principles from which programmes are planned. This strengthens the role of UNDP as a valued partner with the Government.

UNDP also brings strength in its objectivity, a lack of self interest (other than to achieve the MDGs and other UN Conventions) and a network of organisations able to bring technical capacity and resources to assist the Government. We also consider UNDP's budget size, which is not substantial, to be a positive factor. A donor with a large budget can have potentially distorting effects on priorities, and can encourage some less relevant projects to take place. By contributing the majority of the budget to UNDP projects, Government automatically has buy-in and increases its level of commitment.

2) UNDP's Trusted Partnership with Government

The UNDP Business for Development Team enjoy a strong partnership with Government, particularly the SPC and Deputy Prime Ministry, but also with other departments (Syrian Investment Agency, Ministry of Economy and Trade, etc.). UNDP is highly respected for the quality of its work, for its objectivity and there appear to be clear and open channels of communication. A lack of agenda is much appreciated by Government and translates into impartial advice at the planning stage and within implementation of individual projects.

We note this partnership has impacted outcomes positively particularly in the Investment Environment (SIA), WTO and Competitiveness projects (Ministry of Economy and Trade), and at a local level in Deir Ezzor with the City Council.

3) Government's Positive Attitude Towards Economic Reform

The positive attitude and support for economic reform that comes from within Government should not be underestimated in assisting UNDP to contribute towards Outcomes. Without this underlying support UNDP would have found it harder to achieve the impact it has. The Competitiveness Mindset project encapsulates the current situation well; Ministries know they must improve policies and public services to help business become competitive in a global economy.

Negative Effects

1) Limited Government Capacity to Implement

The single greatest factor affecting UNDP's ability to impact on outcomes is the poor technical capacity of Government Ministries to implement projects. In some cases technical capacity was brought in by project partners to achieve outputs and a legacy of built capacity remains (particularly in the SIA, WTOD and to some extent in Customs). In many projects an over-estimation of Government capacity to implement advice and recommendations limited impact on the outcome (Industrial Strategy, Customs, Lattakia Port). In some cases enhancement of technical capacity was a component of the project, but making significant progress was difficult given the size of the task at hand and limited resources at UNDP's disposal.

We note the lack of technical capacity is quite different from the willingness of public employees to implement and upgrade performance. Staff were enthusiastic, honest about their limitations, and keen to improve. This is a positive platform from which to build on.

We identified three key factors contributing to limited technical capacity in government:

i) **Lack of technical layer:** Low pay and benefits, and poor progression opportunities, restricts ability of Ministries to attract experienced employees and high-skilled graduates leading to a lack of technical middle layer.

ii) **Under usage of Human Resource departments:** Staff recruitment is largely unsystematic, often by-passing HR completely, and departments seldom carry-out needs assessments and training programmes.

iii) **Lack of continuity:** The replacement of Ministers (and with them their technically competent Deputies) leads to a lack of continuity in methodology, approach and in projects, particularly so when strategies had not been formalised.

2) Poor Programme Planning (Donor Coordination and Project Selection)

During the course of the evaluation there was evidence that other international organisations were working in over-lapping areas with very little coordination, leading to some evidence of duplication, but more seriously missed opportunities to work together towards achieving joint outcomes. While SPC is responsible for donor coordination in Syria, UNDP has a remit to assist in this function[7]. We note that UNDP has an active project in this area (Enhancing Aid Effectiveness and Coordination in Syria).

At the same time we found that UNDP's project portfolio could have been better focused to target the outcome more directly (notably Customs Directorate and Lattakia Port) and would have liked to have seen projects focusing more on fostering entrepreneurship, research and development (innovation), as well as a more strategic approach to assistance with the Industrial sector.

This raises the question as to the process and procedure at the programme planning stage of selecting projects, especially taking into account UNDP's comparative strengths and full donor coordination. Donors have a comparative advantage in some area that could be leveraged into strategically planned projects. This would also mean projects were planned with a focus on how the Partnership could best allocate the net sum of resources, efficiently and effectively.

In Section VII below we give our overall conclusions and develop recommendations addressing these issues.

[7] Principle 1, Partnership Strategy, UNDP Syria CPAP 2006

VII. Conclusions and Recommendations

1. Conclusions

First, we believe outcomes A.2 and B.3 were, and still are, of strategic importance and based on the Government's national priorities. Second, we believe UNDP has made a valuable contribution towards assisting Government in achieving these outcomes, which we detail further below.

In the final analysis this evaluation focuses on two key questions:

What progress has UNDP made towards the CPAP outcomes?

What progress has UNDP made in delivering CPAP outputs?

In answer to the first question we conclude UNDP has made four types of contribution towards achieving outcomes. The first is in institution building, which it achieved by establishing the SIA and One-Stop-Shops, the WTOD, the NCO and Global Compact. The second is in capacity building both existing and new institutions, mostly through a considerable amount of training and workshops. The third is in policy making which has strengthened the investment climate, helped ease trade flows and increased the competitiveness of business in certain sectors. The fourth is in awareness raising, particularly on the issues of competitiveness, trade and WTO accession.

Overall, we consider UNDP have performed well in assisting Government in working towards achieving objectives of outcome A.2. The operating environment was often challenging, and poor Government capacity to implement and resistance to change were found as limiting factors. In the final assessment, outcomes would not have progressed to the extent they have without UNDP assistance.

In answer to the second question we conclude UNDP has been largely successful in delivering CPAP outputs, which it has done with quality technical assistance, cost effectiveness, and ability to leverage partners into projects.

We found three main difficulties faced by UNDP which sometimes prevented delivery of outputs at operational level. These are: Government decision making and capacity to implement, partnership working (donor coordination) and project planning.

While Government capacity has improved in some areas (with contribution from UNDP projects) we found weaknesses in technical ability and in decision making were often responsible for failing to achieve outputs, or convert outputs into impact on outcomes. UNDP occasionally over-estimated the capacity of implementing partners and other activities were sometimes needed to prepare the partner for the implementation phase. If current UNDP assistance were withdrawn from several projects (particularly the Investment Environment and WTO accession), Government departments would struggle to continue the work with the same level of impact.

In terms of partnership working, we found UNDP to have generally worked with the right partners, effectively leveraging other organisations (particularly from within the UN family) into projects, but did not work effectively with other international donors (such as the EC, GTZ and JICA) who are all major contributors to the Government's economic reform programme. While this had less impact on delivering outputs, we believe a lack of donor coordination reduced potential impact on outcomes, though we note UNDP is now actively working with Government in this area. This was unfortunate because projects such as Old Souqs and Global Compact demonstrate

UNDP's ability to engage with other non-UN organisations, particularly businesses and NGOs, to achieve impact on outcomes.

While Government and SPC are responsible for donor coordination, we found UNDP's could have done more to assist Government in identifying potential partners during strategic planning (ie at the outcome level). Instead partners tended to be identified at individual project planning stages, and with limited input from SPC. This resulted in missed opportunities to coordinate with other projects and there was evidence of some duplication of work with other donors.

2. Recommendations

We make three sets of recommendations. Recommendations to UNDP and Government for guidance on ongoing implementation of current projects and guidance on design of future interventions, recommendations for the overall approach to progressing the outcome (aimed at Government, UNDP and other implementing parties) and a summary of specific recommendations for each of the nine projects (a detailed set of recommendations are made for the nine individual projects in Part Two of this report).

To UNDP and Government

Of the current eight projects under Outcome A.2, we recommend continuing to engage with two on-going projects beyond the current planned end date. These are: Enhance the Investment Environment and WTO Directorate. Both projects require continued assistance with capacity building, although an exit strategy (and exit criteria) should also be brought into any project extensions (and addressed in substantive revisions).

Of closed projects, there is potential for opening discussions with SPC to re-open involvement in four projects. The first two would aim to strengthen Government capacity to formulate and implement policy and tie into recommendation (B) for Government below. These projects are:

- Towards Changing the Competitiveness Mindset. UNDP could assist in upgrading capacity of the Competitiveness Department in the MoET to strengthen Government ability to formulate effective competitiveness policy
- Industrial Strategy. UNDP could assist to build capacity in the MoInd to formulate and implement policies and adopt a national industrial strategy

While we concluded the following two projects were not as highly focused on the outcome as we would hope , we think targeted assistance with set exit criteria could assist both. These are:

- Modernisation of the Customs Directorate (UNDP would assist in preparation of a strategy to maximise use of ASYCUDA, with co-operation from EC's TEP programme, and partner Customs to improve functionality to an agreed set of criteria, then exit)
- Modernisation of Syrian Ports (UNDP to continue dialogue with LPGC to provide consultancy services for Port expansion and other projects on-hold as already planned – silos and training centre – while capacity building LPGC to bring them to a point of self-managing the expansion process and other projects, then exit)

New areas for UNDP to design future interventions in pursuit of outcome A.2 objectives would target projects aimed at:

1) Enhancing the investment environment through: i) increased coordination of investment laws and institutions, potentially through establishing a singular investment umbrella (see our recommendations to Government below), ii) establishing a national investment strategy with sector specific objectives, iii) reducing the time and cost to set up a business, iv) reform the legal system, v) help SMEs have better access to finance, vi) foster entrepreneurship to turn job seekers into job creators, and vii) work on the image and branding of Syria abroad.

2) Enhancing trade facilitation through: i) reviewing import and export processes to reduce unnecessary additional cost on goods, and ii) raising awareness of trade legislation, trade opportunities and procedures among key export sectors.

3) Enhancing competitiveness through: i) creating links between universities and businesses in research and development activities to foster innovation, ii) reviewing and upgrading the provision of management training and soft skills within public universities (see recommendation B for Government below), and; iii) intensifying public administration reform to help reduce the cost of doing business.

To Government

A. Intensify Public Administration Reform

Public administration reform must be intensified as a national priority and should feature prominently in the 11^{th} FYP. Limited technical capacity in Government is hindering both internal and donor organisation efforts at making progress on enhancing the structures and climate for trade, investment and competitiveness (as well as in other crucial development areas).

Objectives of public administration reform would be to improve the structure and functioning of the civil service, improve service delivery, review staff structure and promotion policies, enable decision makers to actually make decisions free of recrimination, increase the availability, validity and the flow of information, strengthen technical capacity and competency in formulating policy, strengthen decentralisation, and establish accountability frameworks in public administration.

While Government has been working with UNDP on a project called ‘Government Services Reforms and Modernisation Programme (2007-10)’, efforts need up-scaling and intensifying through a comprehensive and long-term programme with Government firmly in the driving seat. UNDP is well placed to assist Government, as are other donors, and should be involved in future planning of such a programme. We reiterate: this must be a national priority in the 11^{th} FYP.

B. Developing a Comprehensive Economic Management Training Programme

The main objective of a Comprehensive Economic Management Training Programme would be to set up a suitable process to adapt and transfer knowledge of and best practice in economic management to economic policy-makers. The strategy would be to enhance institutional capacity to deliver economic management training through a two-pronged approach. The first component of the approach would be to prepare a team of trainers who will deliver the programme and other similar training activities. The second component of the approach is to deliver tailored training programmes that will be based in main training institutes such as INA and HIBA. The institutes' capacities will be enhanced to deliver such a programme effectively. Policy-makers in key Ministries would be the main beneficiaries of the programme.

C. Create One Investment Agency and Investment Law

Despite the creation of the SIA, several types of investment projects fall outside its mandate, including tourism and real estate and investments in the Free Zones. Authority for granting investment licenses and following up execution needs to be placed under the authority of one agency. Legislative powers granted to executive branches (such as The Higher Council of Tourism) is an anomaly which should be ended.

A national investment strategy is needed to give strong signals to investors and to coordinate Ministries and donor organisations and the current investment laws and incentives need harmonising into one investment law and simplifying where possible. Incentives in the unified law should be granted in the light of priorities identified in the proposed national investment strategy.

D. Strengthen the role of SPC

SPC requires strengthening to assist Government in understanding its development needs, in planning intervention programmes, and to coordinate donors' work. This would bring greater clarity to Government objectives, and enhance project planning, to maximise opportunities, minimise duplication and work to each donor's comparative advantage.

SPC should establish an effective national aid coordination umbrella. We note that UNDP's Enhancing Aid Effectiveness and Coordination in Syria is currently helping the SPC to improve in this area. Regular donor meetings should be held and chaired by SPC to monitor progress, identify opportunities, share knowledge, encourage donors to concentrate in areas of comparative strength and potentially pool technical and financially resources. Donors should be reminded of their commitments to the Paris Declaration on Aid Effectiveness[8].

To UNDP

A. Improve Donor Coordination

We recommend UNDP needs to:

1) Continue to assist the Government (SPC) with 'building a national strategy and capacity in aid management' (CPAP Partnership Strategy, Principle 1)
2) Produce a formal partnership strategy in the next CPAP, aligned with the Government's national development and aid strategies and developed under the umbrella of the SPC with input from other donors, and with identified roles and contribution of other implementing parties

[8] An international agreement signed in 2005 by Ministers, Heads of Agencies and other Senior Officials in over 100 countries (including Syria) signaling a commitment to continue to increase efforts in harmonisation, alignment and management of aid with a set of monitorable actions and indicators.

B. Project Planning and Project Selection

Our overall assessment of UNDP's project planning is positive and found generally strikes the right balance between 'best fit' and 'best practice'. Our recommendation to UNDP is that projects are planned with: 1) a greater focus on achieving outcomes, and: 2) more emphasis on sustainability and exit strategy.

1) Greater focus on achieving outcomes:

i) Conduct with SPC during programme planning a pre-assessment of government priorities and what needs to be done to achieve a particular Outcome (with other donors), be clear of the roles of UNDP, other donors and Government, and then design suitable projects for UNDP to progress the outcome (potentially with other donors as partners)

ii) Ad-hoc requests from Government should be dealt with during the recommended quarterly donor meetings and follow the same procedures as if they were being discussed at programme planning stage

iii) Be prepared to turn down requests if the pre-assessment shows the project is not within UNDP's mandate, or implementation capacity is insufficient and Government is not willing to build capacity

iv) Work actively with other donors to define boundaries on areas of intervention and possible scope for pooling of resources. Discussions should be held on the basis of a consultation to establish who can do what best, rather than simply communicating intentions

v) Include relevant activities of all other donors in Project Documents as a standard item to coordinate financial and technical resources. This would help avoid the piece meal approach currently undertaken by donor organisations (and to some extent UNDP) in cherry picking certain outputs but avoiding larger and more difficult issues

2) Plan for Sustainability and an Exit Strategy: The evaluation found most projects to suffer from sustainability issues, mostly due to difficulties in building capacity, but also due to poor exit strategy planning.[9]

Specifically we recommend:

i) Identify at the project pre-assessment phase what is required in terms of institutional capacity to achieve and maintain the Outcome sustainably after UNDP intervention has finished. Several capacity building steps may be required prior to core project activities but would provide a long-term approach to achieving outcomes

ii) Plan and resource project activities to ensure this institutional capacity is built prior to the exit strategy being implemented

iii) Work within government HR departments to strengthen capacity so human capacity can be built internally and without reliance on donor interventions. This way change begins from within, rather than being imposed externally

[9] Sustainability Scores: Investment Environment: Medium, Competitiveness: Low/Medium, WTO: Medium, Industrial Strategy: Low, Global Compact: Medium, Customs: Low, Ports: Medium, Deir Ezzor: Medium, Agropolis: Medium/High

iv) Where outputs are studies produced in English, and are to be used by Government, Arabic translations are necessary to increase sustainability of the outputs and ensure maximum chance of impact on outcomes.

v) Hand-over periods should be thoroughly planned through the project working groups with all stakeholders to ensure continuity, knowledge transfer (both tacit and codified), adequate resources and continued support once intervention has been withdrawn.

Immediately below we provide a summary table of recommendations for Government and UNDP. Specific recommendations to implementing partners are included in individual project assessments in Part Two.

Summary of Individual Project Recommendations at a Policy Level

Note: detailed recommendations are given in individual project assessments in Part Two

	Project	Government	UNDP
1	**Enhance the Investment Environment**	1. Plan, formulate and adopt a national investment strategy (MoET, Deputy Prime Ministry and SIA to lead) 2. Review the effectiveness of current investment institutions and consider bringing investments under one coordinating umbrella organisation 3. Review the effectiveness of investment legislation, consider bringing all investment incentives under one investment law and work on reforming the legal system	1. Build on current momentum and plan to extend assistance beyond 2011 to continue building capacity. 2. Assist SIA with improving internal performance through a review of customer service and targeted training programmes 3. Assist Government with review of investment institutions and investment laws and in legal system reform
2	**Towards Changing the Competitiveness Mindset**	1. Strengthen the Planning and Competitiveness Department at MoET through increased resources and technical staff and support from the NCO Board 2. Establish a cross-ministry competitiveness working group 3. Working group to develop a competitiveness strategy under MoET umbrella	1. Assist in upgrading the capacity of the Planning and Competitiveness Department at MoET with technical assistance to develop competitiveness strategies and policies 2. Assist the suggested cross-ministerial working group to strengthen human resources departments (MoET, MoInd, etc.) to identify training needs and run their own training programmes
3	**Trade Policy Reform and WTO Pre-Accession**	1. MoET to consider re-structuring trade directorates to bring under one umbrella (possibly the Foreign Trade Directorate) 2. Build WTOD staff experience of culture in Geneva through rotating staff placements in order to enhance networks, knowledge and confidence 3. Form an inter-Ministerial working group to assess forthcoming policy and sector impact studies in order to ensure implementation	1. UNDP to remain supportive of the project with technical assistance beyond 2011 2. Use sector impact studies to: i) establish bottom-line trade positions for WTO negotiations, and; ii) establish genuine anti-poverty trade policies 3. Reconsider intended output to produce a trade strategy given the limited time and resources 4. Establish criteria for an exit strategy based on desired capacities of the WTOD (and establish a plan to reach these capacities.
4	**Preparatory Assistance Document to Support Industrial Development Strategy**	1. Ministry of Industry to officially adopt a comprehensive and relevant industrial strategy with a coherent and practical implementation plan 2. MoInd to review technical capabilities and develop a strategy aimed at increasing ability to formulate and implement policy	1. Assist in MoInd review of technical capabilities with technical expertise and project management 2. Assist SPC to ensure industrial activities are coordinated with other donors, particularly UNIDO and the EC's forthcoming industrial programme.

	Project	Government	UNDP
5	**Global Compact**	**For the GC Team** 1. Increase focus on getting companies to comply with GC principles by facilitating workshops and knowledge sharing activities 2. Work as an enabler to strengthen NGO and Business links by creating direct partnerships but do not form direct partnerships GC and NGOs or businesses 3. Review monitoring system to ensure members are committed to achieving GC principles (ie initial assessment of compliance and action plan demonstrating intended activities). Consider viability of independent monitoring.	1. Consider forming a Community Based Organisation to host GC when UNDP exit, funded through membership fees, rather than hosting with an existing NGO (to ensure independence) 2. Plan for GC staff leaving once UNDP involvement ends through a sufficient handover period with training and networking opportunities 3. Aim to become a GC world leader in sophistication and independence of monitoring mechanism to add further credibility to GC Syria
6	**Modernisation of the Customs Directorate**	1. Customs Directorate to design and implement a strategy to maximise use of ASYCUDA, including implementing the risk analysis module, investing in staff training and in process re-engineering (in coordination with the EC's Trade Enhancement Programme). 2. Customs Directorate to request Min of Finance to re-establish the ASYCUDA working group at Ministerial level to increase ASYCUDA functionality	1. Assist Customs with technical assistance to prepare a strategy for maximising use of ASYCUDA, staff training and process re-engineering
7	**Modernisation of Syrian Sea Ports**	1. LPGC to draw up a timetable for making decisions with regards to: i) the silos, ii) training centre, iii) port expansion 2. SPC and Ministry of Transport to consider reviving original output in UNDP project document to review the legal framework for customs and import regulations and investment incentives 3. LPGC to look at upgrading technical capacity of Port employees with a structural review, needs assessment and training. Should be done through internal strengthening of the HR department 4. Give each port company (Tartous and Lattakia) autonomy to set separate codes for handling cargo.	1. Re-enter negotiations with LPGC regarding the consultancy offer for the port expansion project, and other assistance regarding silos and training centre 2.Offer technical assistance in finding expertise to restructure the HR department to increase technical capacity of Port employees

	Project	Government	UNDP
8	**Reviving the Business Climate and Boosting Tourism in Deir Ezzor**	1. Deir Ezzor Governorate (with MoET, Deputy Prime Ministry, Ministry of Local Administration and Chambers of Commerce) to consider formulating a regional economic development strategy with a vision and action plan to transform Deir Ezzor into an industrial, business friendly region 2. Continue focus on enabling business development in the region through upgrading infrastructure in areas most requiring intervention	1. Focus on ensuring the training and resource centre is established to deadline. 2. Be open to offering technical assistance to Deir Ezzor Governorate in formulating the suggested economic development strategy (drawing on UN family but also ensuring SPC brings in other donors as required)
9	**Support to the Agropolis Project**	1. Ministry of Local Administration to ensure emphasis is placed on upgrading the long-term institutions in the project, particularly the local administration	1. Ensure project activities are designed with support from Government to upgrade the long-term viability and technical capacity of local institutions

Part Two

In Part Two we provide a full assessment of each of the nine projects within the UNDP Business for Development Programme. Eight assessing their contribution to enhancing Outcome A.2 and one to enhancing Outcome B.3.

Each project is briefly summarised and followed by an assessment of the project's inputs and outputs, identification of key issues, SCB recommendations to Government and UNDP (summarised earlier but presented here in full), and concludes with an overall evaluation scorecard.

Five of the projects are on-going and our assessment is considered as a mid-term evaluation. Recommendations are focused on providing direction and activities for the remainder of the project cycle. These on-going projects are:

Project One: Enhance the Investment Environment

Project Three: Trade Policy Reform and WTO Accession

Project Five: Global Compact

Project Eight: Reviving the Business Climate and Boosting Tourism in Deir Ezzor

Project Nine: Agropolis

The remaining four projects have been completed and are considered as final evaluations. Recommendations are focused on lessons learned and a wider assessment of the current roles of UNDP and Government in the particular area. These completed projects are:

Project Two: Towards Changing the Competitiveness Mindset

Project Four: Preparatory Assistance to Support Industrial Development Strategy

Project Six: Modernisation of the Customs Directorate

Project Seven: Assistance for Modernisation of Syrian Maritime - Lattakia Port (on hold)

Project One: Enhance the Investment Environment (Jan 2006 - Dec 2007, ext. to 2011)

Title: Enhance the Investment Environment (Jan 2006 - December 2011) **Status:** On-going		
Implementing Partner Investment Agency (SPC to finance and coordinate)	**Budget** **Total** Government (Investment Office) Regular (UNDP)	**US$1,707,813** US$1,551,563 US$156,250
Objective: To enhance the investment environment in Syria through the improvement of the legal and regulatory framework for investment and strengthening of institutional capacity for investment promotion		
Outputs: - New Investment promotion authority with new investment laws in place - Number of companies initiated under the new laws - New Investment Promotion Authority functioning well		
Beneficiaries **Direct:** Professional and technical staff of the Investment Office to be transformed to a fully fledged investment authority (SIA)**;** Investors who will receive better services enabling them to implement projects at reduced cost in a shorter time. **Indirect**: Citizens benefit from job creation and increased incomes		
The Project Received Two Substantive Revisions - Additional Output (Jan 2010): Create an investment map for the existing and new industrial cities ($75,000 additional, 2010) - UNCTAD (December 2009 – August 2010): Output 1, Training of SIA staff; Output 2, Advisory Services (refining Investment Promotion Authority business plan); Output 3: SIA Strategy ($66,000 from original budget)		

Summary

The objective of the project is to enhance the investment environment in Syria through the improvement of the legal and regulatory framework for investment and strengthening of institutional capacity for investment promotion.

The project began in January 2006 with the aim of achieving the following outputs: 1) establish a new investment promotion authority (the Syrian Investment Agency); 2) review and amend existing investment laws; 3) establish a one-stop-shop in the SIA (and assess feasibility of establishing branches in other governorates), and; 4) ensure the SIA is fully functioning.

The project received two substantive revisions[10]: 1) To create an investment map for the existing and new industrial cities/zones (with additional $75,000 funding from SPC), and; 2) Provide SIA staff with training (with UNCTAD[11] as implementing partner), advising on refining the SIA business plan and creating an SIA strategy.

[10] The UNDP process for changing or adding activities to Project Documents
[11] United Nations Conference on Trade and Development

Direct beneficiaries were the professional and technical staff of the SIA (output beneficiaries). Indirect beneficiaries were investors benefiting from better services and in the long-term Syrian citizens benefiting from increased investment and job creation (outcome beneficiaries).

Inputs and Outputs

Inputs to this project were an overall budget of $1,707,813 and a team of four full-time UNDP employed staff based in the SIA (National Project Director, Finance Officer, Administrative Assistant and IT Support). Interns and some temporary staff were also employed at various stages. The designated implementing partner was the Investment Agency (established under the project) with finance and coordination from SPC. UNCTAD worked with UNDP as an implementing partner in several sub-projects noted below.

A number of activities were carried out and outputs were achieved affecting the legal and regulatory framework, institutional framework, as well as activities aimed at staff capacity building. We have described each set of activities below.

The first set of activities was aimed at strengthening institutional capacity for investment promotion by establishing a new investment promotion agency and assisting it to function effectively. UNDP's technical input was to assemble a team of international experts who drafted Decree 9 of 2007, which transformed the old Investment Office into the Syrian Investment Agency (SIA). This established an institution to administer national investment policies, promote investment and facilitate prospective investment projects.

As part of establishing the SIA a logo was designed, an SIA investment magazine in Arabic and English is being produced quarterly and promotional brochures and literature produced.

An additional output from these activities has been the launching of the One-Stop-Shop (OSS) (established by Resolution 5055 of 2008), which simplifies licensing processes for investment projects by gathering the relevant licensing bodies in one place. The plan is to have a network of 14 OSSs with a central office in Damascus. Branch offices have been established in Industrial Cities (Adra in rural Damascus, Hassia in Homs governorate, Sheikh Najar in Aleppo and an office is soon to be opened in the new industrial city in Deir Ezzor). Branches area also being established in Governorates which do not have Industrial Cities. Offices in Quneitra and Dara'a have been recently opened and others will follow so that all Governorates will eventually have OSSs.

Investors licensing projects were expected to benefit from a reduction in administration time and complication, a centralised source of investment information (detailing tax exemptions, procedures, investment opportunities), a single place to settle licensing fees and duties, and the provision of a guiding hand through the licensing process with assistance from a dedicated follow up team.

The second set of activities revolved around the review and revision of the legal and regulatory framework. UNDP input to this activity consisted of assembling a team of experts from Syria, Jordan and Lebanon, hosting workshops and reviewing several laws related to the investment environment including Investment Law 10, competition and companies law, and laws regarding dispute settlements.

The direct output of this activity was a new draft investment law, although it is noted that the draft law submitted by the team of experts was revised with input from Ministries before being officially adopted as Decree 8 of 2007 (discussed further in Issues below).

The philosophy behind Decree 8 was to move away from offering tax breaks and incentives towards creating an enabling environment for investment through the law and outside the law. Decree 8 allowed for: the possession and rent of land for investment projects beyond existing size limits; non-Syrians to rent and own land for projects; a relaxation of restrictions on repatriating profits on capital brought from abroad; and projects from certain sectors would benefit from exemptions stipulated in the effective Income Tax Law. The decree also carried some clarifications of investor's obligations, rights and duties.

Other new laws assisted by this activity were Legislative Decree 54 of 2009 'Exemption of Income Tax for Investment Projects in the Eastern Governorates', drafted by the SIA (with assistance from UNDP) and Arbitration Law 4 of 2008. Tax exemption for new investment was found necessary in the case of Eastern Communities because of their very low state of development.

The third set of activities was focused on capacity building of the SIA and related Ministries. UNDP's input has been to design and implement training courses in communication, law, customer service, administration and negotiation skills, presentation skills, measurement of training needs, investment promotion, English and IT skills. The SIA aims for their customers to say 'We feel as if we are dealing with the private sector in terms of the interview, attention and quick response'. New staff in the SIA were obtained through direct recruitments (25), while 40 additional staff were seconded from Ministries (2-4 staff per Ministry), resulting in some 75 SIA staff in total.

A fourth set of activities involved conducting workshops and seminars on Foreign Direct Investment for 45 Ministry representatives to improve policies to attract FDI, and training for 50 Syrian lawyers to introduce the concept and processes of arbitration law.

Additional Activities

UNDP supported and funded two changes of office location from Baghdad Street to the Presidency of the Council of Ministers, and then to the current location next to the Central Bank. The original project document planned for one location change. This required furnishing and equipping two different locations with business and communication infrastructure, as well as re-furbishing the One-Stop-Shop hall.

Outside of the original project documents UNDP achieved the creation of an Investment Map, which identifies investment opportunities by sector and geographical location, lists certain investment related laws (Decree 8 of 2007, SIA Decree 9 of 2007, and Tourism Council Decision 186 of 1985). The map is hosted at a dedicated address (www.syriainvestmentmap.org). The new SIA website (www.investinsyria.org), also created during this project, contains details of key investment laws, regulations and incentives. There are still some quality issues with these outputs which UNDP are aware of and we discuss further below.

Plans for 2010-2011

Activities currently underway by the UNDP Team in the SIA include: a) an electronic archive system intended to improve document storage and retrieval; b) an FDI survey of companies to show actual FDI stocks and flows into Syria (in conjunction with the Central Bureau of Statistics), and; c) an investment map study of 123 existing industrial zones formally designated for contained expansion (recently funded with $75,000 from the SPC).

An additional set of activities is being carried out by UNDP (implemented by UNCTAD consultants) with three outputs to be completed in 2010: 1) Training of SIA staff in image building, investor targeting, investor service and aftercare and investment promotion; 2) Advisory Services in revising the SIA's Business Plan to improve existing OSSs to international best practices and reviewing and presenting the overall SIA business plan, and; 3) Conducting customer service training workshops and producing an SIA client service strategy.[12]

Issues

We have identified two sets of issues for this project: 1) the existing capacity of the SIA and the services it offers, and; 2) the effectiveness of general investment coordination in Syria.

1) Considerable achievements have been made by both UNDP and SIA in developing the SIA and reviewing the legal framework for investment, but the capacity of SIA is still less than desirable and the quality of services requires further upgrading. A recent UNCTAD mission praised the considerable progress had been made by the project in a short time and we agree with this statement. However, we have remaining concerns with outputs in the following areas:

    a. SIA staff are reported to be largely under qualified and still require significant levels of additional training before they reach satisfactory service standards. It is welcome to note UNDP with UNCTAD as implementing partner are providing SIA staff training in image building, investor targeting and aftercare between December 2009 and August 2010. However, there remain quality issues with core services that must be understood through customer surveying and addressed with a systematic and on-going training plan. The recruitment process must also play a part in improving standards.

    b. The cost of doing business in Syria is still very high and without a comprehensive review of administrative processes and barriers to entry will remain uncompetitive. The introduction of One-Stop-Shops has not significantly changed processes, but brought them together, so rather than reducing the cost of licensing projects the burden has simply shifted from the private investor to the Government. We also note new company registration applications cannot be made at the OSS, unlike in Jordan, which would further speed up the process for new investors.

    c. Both the SIA and Investment Map websites are still below international standards. A comparison with similar sites in Jordan and Tunisia shows a gap in terms of information, functionality and attractiveness, which does not inspire investor confidence. We note UNDP has identified website quality as an area of

[12] From a description of services as per the Letter of Agreement between the Government of Syria (represented by the SIA), UNDP and UNCTAD (copy undated)

concern and is working with a web development company to address functionality and presentation issues. These are key promotional tools and the quality needs to be world-class. The project is now taking action on this issue, and we encourage progress in this area.

d. There have been two investment mapping exercises (one completed, one underway of the industrial zones). However, the evaluation team does not judge the existing Map to be of sufficient quality to attract or assist investors and doubts whether many investors seek investment opportunities through such channels.

While the Map provides some information regarding applicable laws and information on investment opportunities, the quality of information of projects is very limited, the interface is difficult to navigate and the presentation and functionality is generally poor. There is no clear narrative explaining investment in Syria, how the SIA can help investors or information to help prospective investors take next steps with their projects.

The site is accessible in 14 different languages. Analysis of website user statistics (which count how many people look at what) would answer the question of how useful this is. The SIA also needs to understand how many investors benefit from the Map, what its limitations are, and re-formulate and clarify its role for investors, businesses and the Government. The Map is somewhat symptomatic of the lack of focus for investment direction and highlights the continued need for a clear and comprehensive investment strategy (discussed below).

e. Regarding activities to draft a new investment law, we note that Ministers vetoed and changed several areas in the original draft, including a suggestion to lower minimum capital requirements for limited liability companies from SYP 2 million to SYP 100,000. Other timing issues prevented a review of the law's compatibility with WTO regulations from being incorporated (also a UNDP input). Therefore, this evaluation notes UNDP's full contribution to these activities may not be fully recognised by the actual output achieved (Decree 8 2007).

f. Unfortunately, Government decisions to change location of the SIA twice and absence of harmony between former Head of the SIA and Project Director in the first year of the project have undoubtedly cost UNDP time and money.

2) At a strategic level our key concern, shared with the SIA itself, is the absence of a true umbrella organisation or gateway to coordinate investment in Syria. Several types of investment including projects in tourism and real estate, are not covered by the SIA and investors must deal with respective Ministries for licenses and approvals. Investments in Free Zones and in industrial cities also fall under separate umbrellas. This situation restricts true coordination of the investment process, which typically requires multiple licenses (from Ministries and Governorates, etc.) and increases disorientation for investors.

The absence of an umbrella organisation to coordinate investment may also compromise attempts to formulate and deliver an effective Government-wide investment strategy. While the forthcoming UNDP projects being implemented by UNCTAD (2010-2011) will add a welcome review of strategy for the SIA and assistance in upgrading the OSS and staff, the fragmented investment framework will continue to compromise the effectiveness of the SIA. We note that the strategy is an internal document for SIA and is not an investment strategy for Syria, which is still very much needed.

The fragmented structure for investment promotion also means the legal and regulatory environment is being developed without coordination by individual Ministries or Commissions (eg, Tourism, the Free Zones and new Real Estate Commission), resulting in a set of unrelated and confusing laws and decrees. At least eleven investment laws govern investment policies, licensing and incentives in Syria. This makes it hard for investors to navigate investment incentives requirements and duties.

There is also no communication between the SIA and newly formed Export Promotion Agency. Both are complimentary activities with the same basic aims (to raise incomes and create jobs in Syria) and the SIA could add significant know-how and assistance through further integration, partnership or co-operation.

3) Inefficiency of the legal system which forms a major barrier to investment, has not been addressed yet. The SIA has focused on the need for establishing arbitration centres, but the government has not yet addressed the need for deep reform of the court system.

Recommendations

Our overall message for UNDP, SIA and Government is to build on the momentum and trust established between project partners (UNDP, SPC and SIA). If the first stage of UNDP's work to date was in establishing the institutional framework and installing new capacity, the second stage should be to raise effectiveness, efficiency, capacity and sustainability of this framework. The Government's role is to enable the UNDP-SIA partnership, giving clear guidance and direction on their roles and to coordinate with other partners to genuinely further enhancement of the investment environment.

In response to specific issues highlighted above our recommendations to SIA, Government and UNDP are as follows:

For SIA

1. The primary goal for the SIA (including the One-Stop-Shops) should be to simplify the administrative process for both investor and Government Ministries. Bringing together representatives from Ministries has simply brought administration together but with minimal simplification of processes and efficiency savings. An evaluation process of internal systems and procedures is required and targets set around dramatically reducing costs and time for investors (and Government).

   It should be noted a significant reduction in the number of days to open (and close) a business would be reflected in competitiveness indicators such as the World Economic Forum or World Bank competitiveness indicators (see - UNDP's Competitiveness project evaluated below).

   Consideration should be given to incorporating new company registration applications into the OSS to further tie together services for investors (as is done in Jordan Investment Board One-Stop-Shops).

   We suggest the same experts that were engaged to carry out the initial review of laws and establish the SIA should be re-assembled, and strengthened where appropriate, to review progress and formulate a vision and action plan for improving the functionality and quality of service of the SIA.

2. Customer care, websites and promotional material at the OSSs should be continually evaluated and benchmarked to international standards for quality and ease of use. UNDP reported in March 2010 activities are taking place to address these issues, which is welcome, but site maintenance and up-to-date information is a key issue and this should be a continual process. UNDP's aim should be to ensure sustainability of the ability of the SIA to use media tools to promote investment in Syria.

For Government

1. Plan, formulate and adopt a national investment strategy. The strategy would give clear signals of direction to investors and adopt a sector approach. Roles of Government institutions would be clearly defined with attached objectives.
2. Review the effectiveness of current investment institutions and consider bringing all investment activities under one coordinating umbrella organisation. Legislative authority for granting investment licenses needs to be placed under the authority of one agency. Legislative powers granted to separate executive branches (such as the Higher Council of Tourism) is an anomaly which should be ended. We suggest the UNDP would be ideally placed to conduct such a review.
3. Review the effectiveness of investment legislation (particularly Decree 8 of 2007) and consider bringing all investment incentives laws under one investment law. Revisions should also ensure harmonisation with the new trading environment, post GAFTA and in preparation for the Association Agreement and WTO.
4. Reform the legal system and ensure its ability to support investors and build confidence in contract enforcement, arbitration and standardised legal documentation for international transactions.
5. Review capacity of investment promotion staff in both the SIA and its branch offices. Human Resource departments in the Ministries and SIA should be fully part of the training process with the long-term aim of empowering them to conduct on-going needs assessments and formulation of training programmes without outside assistance.

For UNDP

1. UNDP should show willingness to extend the project beyond 2011. While we believe the SIA could stand on its feet alone, future improvement would be minimal, and continued assistance from UNDP is necessary to leverage much needed technical capacity into further upgrading of services and structures.
2. More specifically, the forthcoming UNDP/UNCTAD project to revise the SIA's business plan and to improve the OSS (among other activities) provides a clear opportunity to identify how greater impact can be achieved by the SIA on the intended outcome.

   We suggest the starting point for this would be to focus on how the SIA could work to reduce the cost of doing business by identifying administrative, financial and technical barriers with the aim of simplifying procedures, reducing the cost and making processes easier to navigate.

   This could involve finding out how the EU's Business Environment Simplification Process (BESP) programme (2009-2013, EUR5 million), which aims to reduce business regulation by 30%, could help streamline both business and investment registration processes within the SIA. Both projects appear to have significant overlap and co-operation would no doubt help both parties.

Evaluation Summary

Category	Rating	Description
Impact	Medium	Significant reform to enhancing the investment environment through establishing SIA and OSS. However investment structures - and laws - remain fragmented and unclear to new investors. Financial, regulatory and technical barriers remain discouraging investments and quality of promotion is still weak.
Relevance	High	Right focus on enhancing the investment environment (crucial to national priorities) and activities conducted by UNDP were highly relevant. However, establishing a more coordinated investment framework is now required and staff capacity (across all investment related directorates and agencies) must be upgraded to world-class standards .
Efficiency	Medium/ High	Government decisions to change office location twice reduced overall efficiency of the project. Other outputs (promotional material and training) were delivered by UNDP efficiently.
Effectiveness	Medium/ High	Outputs were achieved and additional activities added within project time-frame. Strong working partnership now formed between UNDP and SIA.
Sustainability	Medium	Focus on capacity building of SIA and Ministries has helped change attitudes as well as skills, however the SIA is only just free-standing and staff competency needs long term investment (especially in HR). Further capacity building by UNDP involvement is required in this area.
Overall	Medium/ High	

Project Two: 'Towards Changing the Competitiveness Mindset' (Jan 2005 - Dec 2008)

Title: 'Towards Changing the Competitiveness Mindset' (Jan 2005-2007 ext. to Dec 2008) **Status**: Closed		
Implementing Partners State Planning Commission Ministry of Economy and Trade	**Budget** **Total** Government (SPC) Regular (UNDP)	 **US$522,500** US$472,500 US$50,000
Objective To foster a mindset among Government and business that promotes competitiveness and the policies and actions required to improve it.		
Outputs - Establishment of a National Competitiveness Observatory and Team - Formulation of Competitiveness Indicators and Policy - Five studies are completed and approved		
Beneficiaries The Business Sector, Government Ministries, State Planning Commission, Syrian Investment Agency, Universities, research centres and consultants **(From the 2007 Competitiveness Report)**		
Substantive Revisions: Extended to 2008		

Summary

The objective of the 'Towards Changing the Competitiveness Mindset' project (henceforth 'Competitiveness Project') was to change the way that Government, business and civil society think about the concept of competitiveness. Its aim was to achieve the following outputs: 1) establish a National Competitiveness Observatory (NCO) and Team, 2) formulate competitiveness indicators and policies, and 3) complete and receive approval for five sector studies on competitiveness.

Creating the NCO, a body that could measure competitiveness and rank Syria against other countries, would incentivise policy-makers to prioritise competitiveness. The NCO Team would be cross-ministerial and operate to spread awareness of competitiveness throughout Government. The sector studies would highlight where concrete legislative changes could be made to enhance competitiveness through policy. Above all, by raising awareness of the concept of competitiveness in order to change mindset, this project hoped to promote its adoption more widely in policy and business dialogue.

The project began in January 2005 and was initially planned to finish in 2007, but subsequently extended to the end of 2008 in order to allow time for the completion of the first National Competitiveness Report, which was intended to look in depth at the competitiveness of the economy and to further promote discussion of which policies were necessary for promotion of competitiveness.

The implementing partner was the State Planning Commission but the UNDP team was based at the Ministry of Economy and Trade, where the majority of the work took place. After the project finished, UNDP involvement came to an end and the National Competitiveness Observatory was transferred to the Syrian Enterprise and Business

Centre (SEBC) where it continues to work on competitiveness indicators and plans to produce studies of competitiveness in the Syrian economy.

The beneficiaries of the project were not made clear in the original project document, but this was later addressed through the National Competitiveness Report. They include business, Government Ministries, the State Planning Commission, the SIA, universities, research centres and consultants.

Inputs and Outputs

Inputs to this project were an overall budget of $522,500 and over the four year duration a team of between four and five, which included a National Project Director. Additional consultants were employed to assist with drafting reports, including the National Competitiveness Report. The designated implementing partner was the SPC although the project was based in the MoET.

The following section outlines the inputs for each set of activities and shows how they resulted in outputs, as follows.

The first set of activities was to establish specialised institutional structures within Government to facilitate changing the competitiveness mindset. Two entities were established: the National Competitiveness Observatory (NCO) and the NCO Team.

The NCO is comprised of a Board made up of a group of high-level stakeholders and headed by the Deputy Prime Minister for Economic Affairs.[13] Its mission statement is to 'Support policies and strategies that need to be applied to improve the business and investment environment in Syria and strengthen the competitiveness of the Syrian economy', as outlined in Decision 1654 of the Deputy Prime Minister's Office in 2007. The NCO Board was supported by the UNDP project team, which was based at the MoET.

The NCO Team comprised officials from various Ministries with a stake in competitiveness, who were designated as focal points. It assembled periodically for training sessions on competitiveness issues (delivered by the UNDP team), and its main purpose was to promote competitiveness issues up through the Ministries as opposed to a top down approach. In addition, the Planning Department at the MoET was renamed the Planning and Competitiveness Department. This was where the UNDP project team was based. This department formed a core part of the NCO Team, and was designed as a place in Government where core expertise on competitiveness would reside.

The project document also set the NCO the target of establishing competitiveness indicators for Syria, so that competitiveness could be accurately measured. To establish the indicators the UNDP worked with the World Economic Forum (WEF) and adopted their standard competitiveness measures. This meant carrying out surveys within the business community in Syria. Trainers from the WEF visited Syria and trained staff in the methodology for conducting the survey. Staff were also able to attend training conferences in Doha and Kuwait.

The inclusion of Syria in the WEF competitiveness ranking was a significant achievement. It showed openness by the Government to be measured and transparent on this metric, and more importantly showed a willingness to improve. The very fact that

[13] The members were: the Deputy Prime Minister for Economic Affairs, the Minister of Finance, the Minister of Economy and Trade, the Minister of Industry, the Head of the State Planning Commission, the Head of the Syrian Investment Commission (now the Syrian Investment Agency), the Director of the Central Bureau of Statistics, the President of the Chambers of Industry, the President of the Chambers of Commerce, the President of the Chambers of Tourism, the Director of the SEBC and a representative of the UNDP Competitiveness Programme.

Syria is now included on this global ranking also increases pressure on policy-makers and businesses to actively consider and improve competitiveness.

Some difficulties were reported in the WEF process due to the reluctance of local business to be involved in the assessments. During meetings organised by the UNDP team, it was explained that this would give business a voice in national policy, and this encouraged greater collaboration.

The second set of activities revolved around the output, ‘formulation of competitiveness policy’. Under this output, the project aimed to formulate competitiveness policies / strategies and to produce five sector studies on competitiveness.

These activities were interrelated. To formulate competitiveness policy five sector studies were originally to be produced which would then be taken to the NCO Board and used to influence policy in those sectors. Four studies were produced (nuts, serums, textiles and leather) and this strategy met with some success, in particular the study on textiles.

Textiles producers were struggling to compete with foreign producers because of the requirement to buy cotton thread from Syrian producers, which was subject to state-controlled pricing above international market rates. Through the NCO Board the study convinced the Ministry of Industry to issue a decree lowering the price of cotton to international levels, which enabled Syrian textiles producers to price their goods more competitively. It was also reported the Minister’s own mindset towards competitiveness was changed during this process.

The close working relationship built between the Competitiveness Programme and the Deputy Prime Minister’s office was vital to this process.

When the project was extended in 2007, a third set of activities were introduced. These revolved around the production of the National Competitiveness Report 2007, the first such report to be produced in Syria. The report contained detailed sector, infrastructure and legislative analysis, and a number of policy recommendations. Unfortunately, due to some difficulties around the termination of the programme, these recommendations were not followed-up with implementation. However, as an initiative, the Report was a helpful input into the policy-making process, and it is hoped that it will continue to be produced as a contribution to policy-making to improve competitiveness. In addition, at the request of the Ministry of Tourism a competitiveness report was also produced for the tourism sector (bringing the total number of sector reports to five and fulfilling the original output targets).

As further support to promoting competitiveness in Syria, and particularly targeting actors outside the public sector, the UNDP project team organised twelve workshops and training sessions for business to raise awareness of competitiveness for businesses and for two universities (Kalamoon University and the Higher Planning Institute). These workshops addressed questions on how enterprises could upgrade their competitiveness and included information on the different roles of the public and private sectors, as well as training on SME competitiveness and trade policy.

Many people interviewed for this assessment have noted how activities completed as part of the Competitiveness Programme have had a significant impact on introducing ‘competitiveness’ into the policy and business discourse. Whereas it was previously rarely heard, now a large number of businesses and Ministries are discussing it and searching for ways to improve. We gather competitiveness will feature strongly as one of three themes in the 11th Five Year Plan. Given the importance and prominence now accorded to competitiveness, the work of the project should be considered a successful beginning to a long journey. However, work needs to continue to reinforce the competitiveness mindset, and the capacity of Government and business to actually improve competitiveness must be more systematically addressed.

Since the end of the Competitiveness Programme (end of 2008), the NCO structure has seen significant change. The NCO Board remains in place, with its previous structure and members.

The decision as to where the NCO would move was deliberately left open, so that conditions and the environment could be assessed at the time to ensure sustainability, with the acknowledgement that the structure would have to change depending on the final status. The project document envisaged that the NCO might transfer to the Chambers of Industry, the Union of the Chambers of Trade or that it would be established as an independent think-tank.

The Government eventually decided to place the NCO at the Syrian Enterprise and Business Centre (SEBC) and to fund it directly. The SEBC is linked to the MoET, and it was foreseen that this would maintain a Government link. The decision was made in April 2008 and the handover took place at the beginning of 2009, but there were a series of coordination problems resulting in an unsatisfactory handover for both SEBC and UNDP (discussed further below).

In assessing the success of the Competitiveness Programme, a number of important questions have to be asked. What was done to change the competitiveness mindset? What was done to promote competitiveness indicators? What was done to promote development policies? Were the beneficiaries reached? Are the improvements sustainable?

The new institutional structures, workshops, studies and the National Competitiveness Report each contributed in incremental ways to changing the mindset on competitiveness. The presence of the UNDP project team at the MoET ensured that this concept came to be visible and better understood within Government. The competitiveness indicators were established using the WEF format, an international standard. Policies were less well promoted at a strategic level, but a number of smaller initiatives, such as reduction of the cotton thread price to international market prices were pursued through studies and these led to important policy changes.

The record of reaching beneficiaries was varied. In Government Ministries and the SPC, competitiveness has become an important topic, considered widely, and not simply in the MoET. Business, too, is now more aware of the importance of competitiveness after the workshops that were run on the topic. However, other beneficiaries were less well targeted. The SIA, universities, research centres and public enterprises received relatively less emphasis, and work still needs to be done to increase capacity in these areas.

It is difficult to assess the sustainability of the improvements made by the project. One test will be the durability of the institutional structure (currently still working) and its ability to continue producing the National Competitiveness Reports and indicators. Given the dissolution of the NCO Team it is not obvious where continued momentum for improvements to competitiveness within Government will come from.

Issues

1. **Focus:** the Competitiveness Programme achieved great success in changing the mindset of policy-makers and business. However, during the evaluation we consider too much emphasis was placed on the issue of how to measure competitiveness compared to understanding the steps that could be taken to improve and upgrade competitiveness. There was also less emphasis placed on raising awareness in the education sector. This was a pity since skills and innovation are an essential component to raising competitiveness. We note that workshops were held for business and two for universities, but these areas were not as well-targeted as ministry officials, for example.

   While there has been a demonstrable change in the competitiveness mindset, there is still a lack of ability in Government to actually change and improve competitiveness. Therefore, while competitiveness is a more frequently-heard term in the Syrian economic sphere, this in itself has not yet been reflected by overall substantive change in the Syrian economy.

2. **Handover and Planning**: problems have become apparent with regard to the handover of the NCO to SEBC.

   As discussed above, a clear exit strategy was not envisaged at the outset, and the project document was unclear what would happen to the NCO at the end of the project. The decision was left deliberately open.

   The decision was eventually made to place the NCO with the SEBC in April 2008, which left eight months for an orderly handover to be undertaken. The NCO's new director was not in place until January 2009, and this delay hindered the process, but representatives from SEBC did meet with representatives of the UNDP Competitiveness Programme in the run-up to the handover.

   Since the handover SEBC have organised a Competitiveness Conference (March 2010) and although jointly branded 'SEBC/NCO' the projects presented were from the SEBC's SME Support Programme (funded by the EU). According to an SEBC/NCO action plan (2009) it was expected the Competitiveness Report 2008-09 would be completed by end of 2009 and launched in the first quarter of 2010. The "National Competitiveness Report 2009-2010: An "Press Summary" of a report on Syria's socio-economic development, measuring the overall competitiveness of the Syrian economy" was issued on 19th May 2010 but full report was not released.

   However, in the process of handover, much of the capacity within Government, particularly the MoET Planning and Competitiveness Department, has been lost due to turnover. The cross-ministry NCO Team no longer meets, and there is no low-level structure promoting competitiveness consistently within the Government.

   This leaves significant questions surrounding the measures put in place to ensure sustainability of the project. The institutional structure of the NCO remains in place at SEBC and it will continue to produce the competitiveness indicators and annual Competitiveness Reports. However, its ability to improve competitiveness is much more geared towards the private sector rather than Government (including state-owned enterprises). The Government no longer possesses a clear technical capacity to formulate competitiveness policies or the resources to reinforce the mindset change that took place during the course of the project.

3. **Influence over Government**: the position of competitiveness in the work of the Government remains unclear and should be decided. That competitiveness is being considered one of three themes for the 11th FYP is important in this regard.

   The preference of the Competitiveness Programme team appears to have been to locate the NCO within the MoET, where it could have had a significant impact on Government policy. This is the de facto way that it worked during the project. The benefit of having a competitiveness unit within the MoET, or any Government ministry, is an enhanced ability to drive change within Government. This was shown by the UNDP team's ability to influence and persuade officials of the need for changes, and to make actual changes, as described in the previous section.

   The new set-up, with the NCO based at the SEBC, means that influence over Government, notwithstanding evident good links to the Deputy Prime Minister's Office, is diminished. Contact between the MoET's Planning and Competitiveness Department and the NCO appears to have diminished since the change, leaving staff in the Planning and Competitiveness Department disillusioned.

4. **Training:** staff nominated by Ministries for training were often under-qualified and insufficiently committed. The commitment issue was remedied through communication with the Ministries and time was made for staff to attend regularly. However, since the NCO Team is no longer active, the capacity of staff in Government to deal with competitiveness matters will not have progressed. Within the Planning and Competitiveness Department at the MoET staff have left since the end of the UNDP project leaving it short of resources and expertise. As a result, Government understanding of how to drive change in competitiveness has weakened.

5. **Follow-through**: the Competitiveness Report 2007 includes detailed analysis and a set of sensible policy suggestions for enhancing competitiveness (Chapter Six). However, there is little evidence this work has been built on and turned into an action plan. The Report was not part of the original outputs for the project, and was added as a revision at the end of 2007. At that stage it should have been more widely considered whether a year would be long enough to produce the report and follow-through on the recommendations coming out of it, as well as planning for the Government to take over the implementation of the recommended policies. However, we would still hope that the policies from the Competitiveness Report could be reviewed and considered again during the drafting of the 11th Five Year Plan.

Recommendations

Government

If the Government integrates competitiveness into the 11th FYP, as we have been led to believe, clear institutional structures need to be developed to assist implementation.

There is a good case for the NCO as an 'Observatory' to be outside the Government structures, as it is at SEBC. Independence would allow it to produce respected WEF rankings and strong relations with the business community could be leveraged to communicate business needs through reports for particular sectors.

But competitiveness policy itself needs to come from within Government and we suggest the best place to begin building this capacity is the MoET's Planning and Competitiveness Department.

Therefore the existing Planning and Competitiveness Department at the MoET needs to be strengthened with staff, additional budget and support from the NCO Board. In order to ensure all Ministries that influence competitiveness are involved in policy, a regular cross-ministry competitiveness working group, run from the Planning and Competitiveness Department, should be established (including the NCO at the SEBC). Senior officials should attend this working group as an opportunity to discuss competitiveness issues, transmit and diffuse information and experiences through Government structures and to push proposals and recommendations up to the NCO Board. Resources need to be made available and could be provided by external donors. The working group would also help to re-establish working relations between the NCO and the Ministry of Economy and Trade.

The working group in the Planning and Competitiveness Department would be responsible for developing a competitiveness strategy based on the direction and needs of the 11th FPY. Certainly, work needs to be focused more widely than previously, since competitiveness is a function of a variety of factors (the Ministries of Education and Higher Education should be included), and the opportunity should be taken to re-visit the studies and reports produced by the UNDP Competitiveness Programme where a large number of policy recommendations were left un-implemented (but remain valid).

The revised structure should deliver a balance of interests within a technical working group capable of making both solid recommendations and responding to the needs of the NCO Board.

UNDP

Planning of exit strategies must be more advanced at an earlier stage, and UNDP should learn this lesson in the context of new projects. Communication and engagement with a wide number of stakeholders throughout the project cycle is essential for this.

Further work needs to be done to enhance Government capacity to formulate and implement policy and the UNDP could find a role for itself here. The Planning and Competitiveness Department at the MoET is well-motivated, but is severely under-resourced and lacking in the skills needed to perform this task. Many key team members have left since the end of the project, and so some of the training that was done is no longer benefiting the MoET.

The UNDP could assist the suggested working group through coordinating with human resource departments in related Ministries (Economy and Trade, Industry, Education, etc.) to assess staff needs and configure appropriate training programmes in response to need. In this way Ministries begin to learn to identify how to build capacity themselves. We expand upon this recommendation in Section VII Conclusions and Recommendations.

Evaluation Summary

Category	Rating	Description
Impact	Medium/High	Created a culture mostly within Government in which competitiveness is prioritised right up to Ministerial level. Syria now part of international competitiveness rankings for the first time, creating better data on which policy and comparisons can be made. Some policy initiatives were made, but change in the ability of Government to formulate and implement policy remains weak.

Category	Rating	Description
Relevance	Medium	Impressive work to change the mindset for competitiveness, and introduced a new structure (NCO), but did not tackle the ability of Government to formulate and implement competitiveness policy independently.
Efficiency	High	Exceeded the outputs first envisioned by the Project Document: the National Competitiveness Report was a useful contribution to analysis and policy suggestions. However, more focus on implementation of the recommendations would have been better.
Effectiveness	Medium/High	Successful in driving change at the ministerial level, making tangible changes to policy in textiles area in particular.
Sustainability	Low/Medium	Planning of the project exit strategy was haphazard. The handover was unfortunate for reasons which were not all within the control of UNDP. Better communication and lobbying of stakeholders may have improved this. There is little lasting legacy in terms of ability of MoET staff to contribute to policy, therefore Government capacity to design and implement competitiveness policies has weakened.
Overall	Medium	

Project Three: 'Trade Policy Reform and WTO Pre-Accession' (2005-2011)

Title: 'Trade Policy Reform and WTO Pre-Accession' (Two Stages: 2005-2008, 2009-2011) **Status:** On-going		
Implementing Partner Ministry of Economy and Trade (with SPC)	**Budget** **Total**	
	Stage 1 Total	**-**
	Ministry of Economy and Trade	**-**
	UNDP TRAC	**-**
	Stage 2 Total	**$970,000**
	Ministry of Economy and Trade	$485,000
	UNDP TRAC	$485,000

Objective

To strengthen the capacities of the MoET and WTOD to negotiate, interpret and implement trade agreements and to formulate appropriate policy responses to challenges of integration with the global economy

Outputs

- Establish the WTOD and enhance capacities to negotiate and implement trade agreements, through: better understanding of trade agreements, enhanced negotiation skills and familiarity with regional and multilateral trade negotiation processes
- Enhanced capacity of the MoET to undertake trade policy analysis
- Clear and coherent trade strategy and policy formulated (2009-2011)
- Progress in negotiations of trade agreements
- 1st draft of the WTO Memorandum on Foreign Trade Regime completed (2009-2011)

Beneficiaries

Direct: Senior Trade Officials from MoET and SPC, staff of WTO Directorate, members of Inter-ministerial Taskforce in charge of WTO Accession negotiations, representatives of the MoET and other Ministries involved in the negotiation of other trade agreements

Other: Private sector in general, research and academic community, civil society members and the public at large.

Summary

The main objectives of this ongoing project were to: 1) establish the World Trade Organisation Directorate (WTOD); 2) strengthen the capacities of the WTOD, MoET and SPC to negotiate, interpret and implement trade agreements (including trade policies and reforms), and; 3) to formulate appropriate policy responses to challenges of integration with the global economy.

The project also aimed to enhance co-operation among all stakeholders involved in trade policy formulation and implementation, in particular the Inter-Ministerial WTO Task Force and the WTOD of the MoET, as well as between the MoET and SPC.

Syria began the process of WTO membership by written request to the WTO in 2001 but the application was vetoed by the US. Subsequent requests (2004 and 2005) were also blocked. As of 2010 the US has indicated it would no longer veto Syria's application, and on 4th May 2010 the General Council agreed to Syria gaining observer status and will establish a working party to examine Syria's request to join the WTO. At the time of this study 153 countries were members of WTO with a further 29 in accession talks (including Iraq, Iran and Lebanon).

The project is being run in two stages. The first stage was between 2005 and 2008 and the second stage between 2009 and 2011.

Main activities achieved in the first stage (2005-2008) include the creation and establishment of the WTO Directorate in the MoET (plus a WTO Steering Committee and Inter-Ministerial WTO Task-Force), IT and language training of WTOD staff, review of existing local laws (resulting in a degree of harmonisation with international laws), a training course and field visit to Geneva, and several awareness raising workshops among Ministries, agencies, media and parliament of trade and WTO issues.

Additional activities during this period helped clarify information and included producing better Arabic translations of WTO agreements, information posters and a history of WTO (from 1947 as GATT to its current incarnation).

Activities in the second stage (2009-2011) include continuation of training workshops (ie, trade policy analysis and anti-dumping), a further field trip to Geneva, and the drafting of a key pre-Accession document the Memorandum of Free Trade Regime (MFTR).

Future activities will include establishing a WTO Directory, a website for Ministerial staff, formation of Trade Strategy and Policy, and continued updating of the MFTR, which is to be submitted once WTO Accession is given the green light by Geneva.

Inputs and Outputs

Inputs to the project have been a UNDP team of two technical staff (including National Project Director) and two support staff working with a budget of $970,000 (half paid by UNDP, half by Government). This budget has been spent on the following sets of activities: establishment of the WTO Directorate and related institutional framework, training and capacity building (including study visits to Geneva), preparation of the MFTR, a review of local trade laws to further harmonise with international laws, and additional signposting and knowledge management (website, WTO Directory, etc.).

The first set of activities worked on the institutional framework by establishing: a) the WTO Directorate (WTOD) within the Ministry of Economy and Trade; b) a WTO Steering Committee[14] and; c) a WTO Inter-Ministerial Taskforce. Dedicated focal points were established in each Ministry (eg, four staff in the Ministry of Agriculture work on WTO issues). A website containing all WTO related information has also been established. The UNDP team works alongside the WTOD in the Ministry and also answers to the WTO Steering Committee, responding to requests outside the scope of the project documents as required.

UNDP assisted with establishing the institutional structure by conceptualising the WTOD, the Steering Committee and Task Force and suggesting the management structure. UNDP also procured and installed office equipment, computers and internet connectivity within the MoET to ensure the Directorate was capable of effective communication.

The second set of activities was training and capacity building of WTOD and Ministry staff (plus some training for the media and parliamentarians), which began at an early stage. This follows the key recommendations to Syria published in a recent report on

[14] Comprised of the Deputy Prime Minister, head of the SPC, the Resident Representative of UNDP, Minister of Economy and Trade (usually represented by a deputy), Ministry of Industry (attended) and a representative of the Chambers of Commerce and Industry.

WTO Accession.[15] Activities included awareness training on the details of all WTO agreements, operating mechanisms, accession requirements, experiences of recently joined Arab countries and anticipation of required changes to existing Syrian policies.

Beneficiaries were mainly WTOD, Ministry staff and the Export Promotion Agency but workshops were also conducted with the media and parliamentarians in the following areas:

1. Preparation for the Memorandum on Foreign Trade Regime
2. Media Training on the rules and regulations of the WTO
3. Parliamentary training on awareness raising and rules and regulations
4. Workshop preparation for the 3rd Arab Conference for Managing Development (to understand experiences of other Arab countries)
5. WTO in the framework of DOHA plan
6. Anti-dumping (recently completed)
7. Gender and the WTO - training held in collaboration with UNCTAD and ESCWA

Staff within the WTOD and Ministries have also received training on trade policy analysis (conducted by International Training Centre), market access, as well as training to improve general communications skills (including English and IT courses). 19 Government employees were sent on field trips to Geneva in 2007 and 2009 to visit UNCTAD and WTO Headquarters.

The third set of activities has been to assist in the preparation of the Memorandum on Free Trade Regime (MFTR), one of the key pre-Accession documents to be submitted now the WTO General Council has granted Syria observer status. UNDP has helped prepare a draft zero to be revised as the economic climate develops (no actual submission is made until approval is granted). In a related set of activities Ministries are also now putting together negotiation files for specific sectors.

The fourth set of activities was designed to impact the legal and regulatory framework through a workshop titled, 'Towards Harmonisation between Syrian Domestic Laws and WTO Rules and Regulations.' This workshop helped in the revision of several older trade laws and ensured new laws are aligned with WTO regulations (conducted in cooperation with UNCTAD and ESCWA).

Additional Activities

Additional activities not in the original project documents were to produce: a) new versions of standard WTO agreements in Arabic (previous translations by other countries were of poor quality, b) an internal guide of the WTO and its history (from 1947 in its previous incarnation as GATT to present day); c) to produce posters to show the flow of information regarding WTO agreements (the UNDP team noticed Ministerial staff were often overwhelmed with information), and; d) a Directory for WTO Agreements (in Arabic) which should assist the WTOD and Ministries to clarify procedures.

Plans for 2010-2011

Looking ahead to 2010-11, activities are planned to include: a) producing two policy orientated papers (one assessing Syria's experience with GAFTA, the other analysing trade policy options for existing and future Free Trade Agreements); b) producing two

15 'Accession to the WTO: Procedures, issues and lessons for Syria from recent experiences' (Don McClatchy, Consultant to FAO, December 2004)

studies on policies and two workshops on EU conventions and other FTAs (particularly GAFTA), and; c) to write a comprehensive trade strategy and political framework. A consultant from ESCWA has been hired by UNDP to carry out this work. The work is designed to increase understanding within MoET and SPC of potential challenges and opportunities associated with FTAs. The UNDP team will continue to work on the WTO Directory, and in upgrading the website.

The evaluation team notes the UNDP team leader was extremely assertive in bringing required new activities to the attention of the Steering Committee for approval. This helped maintain relevance and effectiveness of activities, formalise revisions, ensured coordination and created a transparent paper trail of evidence.

Syria has now been given the go-ahead for formal negotiations to enter the WTO and therefore this project will assume increased importance. Drafting the MFTR, studying the impact of membership and establishing the negotiating red lines will be among the priorities over the next two years.

Issues

1. Our main concern with this project is how to retain the knowledge and experience gained within the established institutional structure (WTOD and Ministries). Although Syria has just gained observer status from the WTO, paving the way for membership, accession negotiations are historically a lengthy process and retaining capacity will be challenging.
2. Whilst training activities can help increase awareness of WTO processes and improve skills, the directorate team is young, lacks seniority and needs strengthening with a WTO/trade specialist. Whilst we see considerable value in continuing to strengthen the existing team, who are capable and willing, without UNDP assistance and additional specialists we believe the Directorate would lose much needed technical capacity. In addition, there also appears to be vulnerability to staff changes (due to personal conduct reasons the four original WTOD staff were replaced).
3. Fragmented structure of directorates dealing with different trade agreements (GAFTA, Association Agreement, WTO, etc.) means knowledge and expertise sharing is not maximised. Those dealing with the EU Association Agreement have built technical and strategic capacity that could benefit the WTOD.
4. We note one activity for 2010 is to produce a trade strategy and political framework to contribute towards drafting the Memorandum of Foreign Trade Regime (MFTR). According to the project document the time allocated for this output is 15 days for two consultants (30 days in total). Consideration needs to be given as to whether the WTO project is the right place to carry out activities for such a strategic document that requires input from many different stakeholders. We also doubt whether 30 working days is sufficient to produce a strategy that should be produced through a large degree of consensus building.
5. Training on WTO issues appears to have greatly strengthened understanding of other active trade agreements such as GAFTA and bilateral agreements (eg, Turkey). Many current trade partners are WTO members and apply WTO procedures so, despite not being a WTO member, Syrian Ministries are already benefiting from capacity building activities. Likewise, this further adds to the need for revising the fragmented structure to ensure the WTO Directorate and other

structures are also benefiting from the activities of other Foreign Trade related activities.

6. The lack of a permanent WTOD presence in Geneva – operations are currently under the direction of Foreign Ministry staff – reduces communication and flows of knowledge between Damascus and the WTO. We note the project document has an activity to 'Study the possibility of establishing a special bureau in Geneva to follow up on WTO accession issues.'

Recommendations

Our key message is for the UNDP to remain engaged with the aims of this programme.

Whilst the expected long time frame for accession poses sustainability issues for the capacity already built, we believe the benefits of the project can and must be extended to enhancing the strength and capacity of current institutions and staff. This project has considerable benefits beyond WTO Accession and the UNDP's continued assistance is required to ensure these benefits are fully realised. Government needs to understand how it can best leverage UNDP output to its advantage.

In response to specific issues highlighted above our recommendations to the Government, WTO Directorate and UNDP are as follows:

For Government

1. Consideration should be given to re-structuring trade directorates to bring them under one umbrella (possibly the Foreign Trade Directorate). This would enhance knowledge sharing between directorates and expertise built up in one area (such as those involved in Association Agreement) could be applied to WTO negotiations.

2. The WTOD needs to build experience of the culture in Geneva to enhance networks, upgrade knowledge and give staff much needed confidence in their ability to steer Syria into a negotiation process. The Government should consider posting a member of staff from the WTOD, perhaps initially on a rotating basis to spread knowledge (as well as risk). We suggest this is not the responsibility of UNDP to fund.

3. With regard to the sector impact assessments of current trade integration on the Syrian economy and forthcoming Trade Strategy and Policy studies (to be completed by the project over the next two years), the Government needs to ensure they take full responsible for proper follow up and implementation.

   We suggest the formation of an inter-Ministerial Working Group bringing together MoET, Industry, MoSAL and other stakeholders to assist with these studies during their conception (which will also promote buy-in), discuss recommendations and turn into formulating anti-poverty trade policies with associated actions. Further studies on how to minimise the negative social impact of trade integration, minimise external shocks and maximise opportunity could also be undertaken.

For UNDP

1. To deepen technical ability within the WTOD the need for specialist assistance will be easier to source with continued assistance from UNDP. Although this may pose long-term sustainability issues the UNDP is better placed to attract, and pay

for, a high qualified Syrian candidate with experience. For this reason alone we strongly recommend UNDP remains supportive of this project beyond 2011.

2. Current and future activities for UNDP in 2010-11 include conducting sector impact studies of current trade integration on the Syrian economy, which the evaluation team welcomes. We recommend these studies are conducted with the objective of establishing bottom-line positions for WTO negotiations, as well as further identification of Non-Tariff Barriers to be converted to tariffs, products benefiting from export subsidies, and exports or import monopolies among state owned companies.

   In addition, these studies provide an opportunity to assess the impact on the poor and help direct Syria towards establishing genuine anti-poverty trade policies. Vulnerable groups should be identified who may require Government intervention to mitigate negative effects of opening up.

3. UNDP should consider whether producing a trade strategy within this project is sensible given the limited time and resources allocated to produce a key document that should receive considerable consultation before being submitted.

4. Similar to our recommendation for the Investment project, we recommend the UNDP team works to ensure the WTOD has sustainable capacity to update and maintain their websites, which may require further training. A feedback and evaluation process could be conducted once the site is up and running to assess effectiveness within Ministries.

5. Looking beyond 2011 UNDP needs to: 1) establish criteria for an exit strategy, possibly based around the required capacities of the WTOD and; 2) establish a plan to reach these capacities.

Evaluation Scorecard

Category	Rating	Description
Impact	High	Significant impact at institutional level (establishment of WTOD, Steering Committee, etc.), effected policy by aligning certain old and new trade laws with WTO requirements, and has had most impact at the level of building capacity among WTOD and Ministerial staff. Additional impact on understanding of other trade agreements and an indirect impact on changing the mindset of Government officials in understanding Syria's integration into the global economy.
Relevance	Medium/ High	WTO accession is a lengthy process, however preparation is key. The project has had indirect relevance in upgrading general understanding of Syria's integration into the global trading environment.
Efficiency	Medium	The project has used resources well. However, the replacement of original staff in the WTOD meant training from scratch. UNDP is the only organisation working to upgrade preparation for WTO accession and with limited resources has made a significant contribution.
Effectiveness	Medium/ High	Outputs have been achieved both in building institutions and in upgrading general level of human capacity. Specialisation is still lacking though.
Sustainability	Medium	Awareness of problems retaining knowledge has been addressed to some extent by working on WTO guide and the website – quality must be targeted and there is a future role for the UNDP here. Sustainability

Category	Rating	Description
		of staff resources and project momentum needs to be planned carefully given the long expected time-frame for Accession.
Overall	Medium/ High	

Project Four: 'Preparatory Assistance Document to Support Industrial Development Strategy' (Nov 2005 – June 2006)

<table>
<tr><td colspan="3">Title: 'Preparatory Assistance Document to Support Industrial Development Strategy' (Nov 2005 – June 2006)
Status: Closed</td></tr>
<tr><td>Implementing Partners
United Nations Industrial Development Organisation (UNIDO)</td><td>Budget
Total
This component</td><td>US$500,000
US$39,000</td></tr>
<tr><td colspan="3">Objective:
To contribute to the Government's industrial strategy by reviewing and updating previous studies on Syrian industry and producing a Policy Paper for integration into the 10th Five Year Plan.</td></tr>
<tr><td colspan="3">Outputs:
- Formulate an Industrial Policy Paper (following review of previous project reports)
- Conduct a National Workshop to launch the Policy Paper
- Define priorities for further interventions</td></tr>
<tr><td colspan="3">Beneficiaries:
Ministry of Industry, industrial enterprises, industrial institutions, other Government Ministries, potential investors and strategic partners.</td></tr>
</table>

Summary

The objective of the 'Preparatory Assistance Document to Support Industrial Development Strategy' project (the 'Industrial Strategy Project') was to consolidate the findings and recommendations of studies produced under a previous UNDP / UNIDO project (named below) and to formulate an industrial policy paper to be launched and used by the Ministry of Industry as a basis for the industry section of the 10th FYP. The project was also to support implementation of the UNIDO Integrated Programme 'Made in Syria'.

The previous UNDP / UNIDO project was titled 'Preparatory Assistance to support Government Reform of Public Industries—Industrial Assessment and Policy Recommendations' which began in 2002 and produced some 21 reports covering the general upgrading of Syrian industry (4 reports), sector studies (4 reports), company profiles (8 reports) and support studies on trade and skills (5 reports).

By 2005 a large number of studies of Syrian industry and policy proposals had been made by several international donors. The most significant of these was a 2004 in-depth study by UNIDO experts (with UNDP as facilitator agency) at the request of the Ministry of Industry, which resulted in an industrial strategy (although it was not officially adopted as a national strategy by the Ministry of Industry).

The purpose of the last segment of this project (costing $39,000, and the subject of this evaluation) was to review and update the findings of the various existing industrial studies (rather than start all over again) and to formulate them into a single policy paper to be used by the Ministry of Industry as a basis for the industry section of the 10th FYP.

The project ran between November 2005 and June 2006. Its aim was to deliver the following outputs: 1) Formulate an Industrial Policy Paper, 2) Conduct a national workshop to launch the Industrial Policy Paper, and 3) Define priorities for further interventions.

Outputs were achieved and the Ministry of Industry was happy with the quality of both the policy paper and the national workshop. However, several issues regarding follow up and implementation responsibilities (both on the side of the Ministry of Industry and UNDP) have limited the potential impact of this project on industrial development in Syria, which we discuss further below.

Inputs and Outputs

The financial input to this project was $39,000, the remaining amount from a previous project (discussed below) with an overall budget of $500,000 conducted by UNDP/UNIDO to pay for consulting services to work on studies of the industrial sector (between 2003 and 2004). The team working on this project consisted of two consultants for the Policy Paper, two consultants for the workshop and one consultant for the project document to define further priorities.

The first set of activities revolved around reviewing 21 past industrial papers produced under the previous UNDP / UNIDO 'Preparatory Assistance to Support Government Reform' project and formulating a new Policy Paper. The output for the Policy Paper was represented as a Policy matrix with recommendations based on past reports as well as including latest reform initiatives by the Government. The consultants then assisted the Ministry of Industry with preparation of the paper for the workshop.

The second set of activities was to present the Policy Paper at a National Workshop on Strategic Priorities of Industrial Development, which was held at the end of 2006, with all major stakeholders in attendance. The Policy Paper and Power Point presentation was produced and minutes of the Workshop delivered to the Ministry of Industry.

The third set of activities was to identify priorities for implementation, which required one consultant to review the recommendations from the Policy Paper and the Workshop and to draft further project documents.

Interviews conducted for this evaluation have revealed that staff at the Ministry of Industry were happy with the results of the UNDP work, and believed it to be a valuable contribution to industrial policy, contributing detailed analysis and policy proposals. In particular, it helped the Ministry put together a policy action plan for the strategy outlined in the 'Industrial Sector' chapter of the 10th FYP. This chapter had itself been heavily influenced by the previous UNDP / UNIDO study. Consultants employed by UNDP and UNIDO were highly rated by Ministry staff.

However, while the recommendations coming out of the workshop were clear and coherent, they were not all transferred into the action plan. So the workshop's direct effect on implementation of industrial policy was limited. The full benefits that might have been achieved by this project were lower than desired. However, in other ways, the impact was better than expected. For example, the workshop was able to bring new concepts, such as 'competitiveness' to the Ministry of Industry, which had not previously been widely circulated.

Issues

During the evaluation, the following issues were identified:

1. **Impact**: The Policy Paper and Workshop were well received by the Ministry of Industry and other stakeholders and the quality of work was praised. The direct

output was good, but it did not match the needs at that time, which was a policy action plan. Therefore the recommendations were not officially adopted as 'policy' by the Ministry of Industry. This was an ideal opportunity to put together a clear action plan for industrial development in Syria and to execute the strategy in the 10^{th} FYP. To date, an Industrial Strategy for Syria does not truly exist, though it is expected to form an important part of the 11^{th} FYP in 2011.

2. **Implementation**: Despite a highly regarded policy paper and workshop produced for this project, along with other excellent studies and plans, there has been an overall failure to carry this into implementation and to officially adopt an industrial strategy.

   Our major concern is with the ability of the Ministry of Industry to implement recommendations and policies. First, there is a severe lack of technical knowledge and expertise in the Ministry, which is a considerable constraint to turning policy recommendations into practice. Second, a lack of continuity of Ministry staff, including Ministers and deputy Ministers, and lack of proper handovers means knowledge of programmes and initiatives are not retained institutionally, compromising the ability to drive change.

   Part of the blame must also rest with the nature of some studies, which did not adequately address implementation, leaving the Ministry of Industry unsure of specific actions required. The Policy Paper and output from the National Workshop also failed to fully address implementation. They did not outline an action plan identifying implementation steps for the Ministry of Industry.

3. **Focus**: This issue is more broadly with Government industrial policy over the past five years, which has neglected two key areas of focus but indicates why the impact of this project has not been maximised.

   First, Government industrial policy has been too focused on the industrial cities at the expense of the 80% of industry located outside. At least now with the identification of 123 industrial zones around the country designated as potential industrial investment areas, new activity should be more evenly distributed.

   Second, despite the previous UNDP programme, 'Preparatory Assistance to support Government Reform of Public Industries', the reform of public industries has not been fully completed. Over 100 public companies remain, many of which are a cost centre to the public accounts (and serve little strategic importance). Present programmes such as UNIDO's Industrial Modernisation and Upgrading Programme, funded by the Italian Government, have been working to enhance individual enterprises to produce quality products at competitive prices but little work is now being done on the public sector.

   This signifies that recommendations from the Policy Paper and Workshop, which encompassed both public and private industrial activity around the country, were not fully integrated into Government policy decision making processes and, again, points to the need for the Ministry of Industrial to adopt a comprehensive industrial strategy to encompass the entire industrial sector, both public and private.

   Some of the major issues identified in the Syrian industrial sector during this evaluation were management practices, lack of innovation, fixed prices, cumbersome business regulation and red tape, uncertain access to power and poor infrastructure. Syria's industrial strategy needs to focus on dealing with these issues for all Syrian companies, not just those in the industrial cities.

4. **Coordination**: some problems of coordination between donors have been identified. In many ways the work of the different donors in this area, beginning with UNDP, then UNIDO and afterwards the EU, has built upon what has gone before. This kind of incremental approach is a good way of working. However, this has come about more by accident than design, and in future donors could work together more closely, pooling resources and playing to each others' strengths. This is not entirely a donor responsibility, but something which the Government (Ministry of Industry and the SPC) should lead on.

5. **Language**: one concern expressed during the evaluation was that some of the studies produced by UNDP were produced in English and not translated into Arabic. While it is acknowledged that international experts often need to write their findings in English, for ease of use and dissemination, studies need to be translated, both to facilitate broader understanding and awareness within Government and to maximise the impact of UNDP's contribution.

Recommendations

Government

1. The foremost priority for Government and Ministry of Industry is to officially adopt a comprehensive and relevant industrial strategy, with a coherent and practical plan for its implementation. A chapter in the 11th Five Year Plan alone is not sufficient and does not have the visibility and impact of a stand alone strategy. UNDP and UNIDO with the help of other stakeholders could provide a role here. However, UNDP should not take on this task if there is not clear evidence that the strategy will be adopted and there are concrete plans for implementation.

   Future strategy needs to focus on both public and private industry and to increase innovation and management skills in the sector. More broadly, the general enabling environment for 'Doing Business' needs to be improved, which ties into other UNDP Business for Development programme areas, namely 'Enhance the Investment Environment', 'Competitiveness' (since closed) and 'WTO + Trade Policy Reform'. These project areas could provide valuable contribution to such a strategy.

2. The lack of technical capacity in the Ministry of Industry to implement policy needs to be addressed. There is over reliance (but which is needed) on outside donors for research and policy formulation. A technical layer of personnel needs to be formed within the Ministry and incentives structured to attract, develop and retain staff with a salary structure that rewards high performance.

   There is a role for the UNDP to work with the HR department in the Ministry to achieve this. One suggestion is to create an Industrial Policy Unit to act as a permanent 'Think Tank' within the Ministry of Industry, strengthening staff capacity, researching policy initiatives and how to implement them and looking at the broader impact of policy decisions and economic / industrial trends around the world on Syrian industry.

3. The Government should consider ways to improve continuity of policy formulation and implementation at a senior level within the Ministry. The replacement of Ministers (and with this the removal of their Deputies) has led to a

lack of continuity of programmes leading to periods of stagnation as new working relationships, skills and expertise develop.

UNDP

1. Future UNDP interventions in this area should focus assistance primarily on implementation and requests for assistance in producing yet more studies should be questioned. Many excellent studies of the industrial sector have already been prepared, but very few proposals have so far been properly implemented. Some of these studies will now have to be updated, but the bulk of efforts should be on coordinating the knowledge and expertise of strategy implementation available to UNDP and then using this expertise to build capacity for implementation in the Ministry of Industry.

2. Broad areas for future projects are to address both public and private industry, and take a countrywide approach. Specific areas for focus are to work on promoting better management, fostering innovation and developing product quality, particularly in the light industry, textile and food processing sectors.

3. Finally, UNDP needs to work to coordinate with other donors in this area. In view of the forthcoming EUR 20 million EU programme in this sector, UNDP should work closely with UNIDO and the EU to identify exactly where its further interventions could have the most impact. In particular, UNDP should focus on small, specific projects with clear outcomes. Sharing of reports, studies and workplans between donors would greatly increase efficiency and results.

Evaluation Scorecard

Category	Rating	Description
Impact	Medium	The analytical studies produced by the project were well-received and the technical assistance highly valued. However, too few of the policy recommendations from the workshop were adopted by the Ministry (in the 10th FYP, and general implementation capacity in the Ministry was lacking.
Relevance	High	The project was well-tailored to the national context in Syria, working closely with the Government to assist it in developing its national strategy. Given the size and importance of the industrial sector in Syria, the approach taken by UNDP (to deliver comprehensive studies and to summarise the results) was a sensible approach to take at this early stage.
Efficiency	Medium/ High	Cost-efficient and sensible to review and re-formulate existing papers and to deliver the output in a National Workshop.
Effectiveness	Low	The project was successful insofar as it managed to kick-start work in the industrial sector that would not have happened without such assistance. However, the project was less successful in ensuring that its recommendations were carried over into the FYP and in terms of implementation (although this was the Government’s responsibility).
Sustainability	Low	Continuity was provided by the UNIDO IMUP Programme, but less sustainable work was done within Government, working on policy implementation. This has meant that some of the studies and recommendations are now out of date before they have been implemented. No technical capacity built in the Ministry.
Overall	Low/ Medium	

Project Five: 'Global Compact: Enhancing Civic Engagement in CSR (Corporate Social Responsibility) through inclusive Growth based Civic Private Sector Partnerships' (2007-2011)

<table>
<tr><td colspan="3">Title: 'Global Compact: Enhancing Civic Engagement in CSR (Corporate Social Responsibility) through inclusive Growth based Civic Private Sector Partnerships'
Status: On-going</td></tr>
<tr><td>Implementing Partners
State Planning Commission</td><td>Budget (core GC project only)
Total
Government
Regular (UNDP)</td><td>
US$350,000
US$275,000
US$ 75,000</td></tr>
<tr><td colspan="3">Objective:
To achieve inclusive growth through enhancing civic engagement and introducing UNDP Global Company to leading Syrian businesses and NGOs and using corporate citizenship in assisting the development of the local community.</td></tr>
<tr><td colspan="3">Outputs:
1. Global Compact, with full participation of all stakeholders, launched in Syria and Local Global Compact Network established
2. Three assessment studies concerning Human Rights and Labour Conditions, Corporate Environment Impact, and Anti-Corruption measures conducted and launched through the GC framework; and
3. Inclusive growth concept promoted and applied through effective NGOs facilitation between the private sector and local communities using CSR as an entry point</td></tr>
<tr><td colspan="3">Beneficiaries: NGOs and their beneficiaries, Civil Society, Private Sector</td></tr>
</table>

Summary

The objective of the 'Enhancing Civic Engagement Programme', known more commonly as 'Global Compact', is to promote a concept of 'inclusive growth'. This has been defined by the project as a virtuous circle, where Government, business and civil society work together to improve economic growth, while at the same time ensuring that it is beneficial to all members of society.

This would be achieved by establishing Syria's chapter of the UN Global Compact (GC), an international initiative in which businesses sign up to aligning their operations and strategies with ten principles in the areas of human rights, labour, environment and anti-corruption (see Annex E for a full list). The project hopes also to use GC as a channel through which companies can make financial and technical contributions to be used on development projects in Syria.

The project began in June 2008 and is planned to finish at the end of 2011, a total of four years. Its aim is to achieve the following outputs: 1) Launch and establish the GC network in Syria; 2) Conduct and launch three assessment studies concerning, Human Rights and Labour, Environment, and Anti-Corruption, and; 3) Promote and apply the 'Inclusive Growth' concept through effective facilitation of links between the private sector and local communities.

All these outputs can be said to have been achieved or are on the way to being achieved. GC was launched, the three studies have been produced, 41 Syrian companies, NGOs and education institutions are signed up as GC members, and several worthy projects are underway, supporting Syria's own development priorities, are now being supported with financial and technical assistance from member companies.

While not wishing to detract from the achievements made by the project, we have identified issues with regard to: i) encouraging companies to comply with the ten GC principles, ii) monitoring of compliance, iii) bringing donor businesses and recipient NGOs into closer working relationships, and iv) developing a long-term strategy for GC in Syria after UNDP's involvement has ended. We discuss these issues in more detail with associated recommendations below.

Inputs and Outputs

Inputs to this project so far are an overall budget of $350,000 (over three years, the budget for 2011 is yet to be allocated) and a team of four, including the National Project Director. The designated implementing partner is the State Planning Commission.

A number of activities have taken place as part of the Global Compact Programme, which have resulted in a number of outputs. The following section outlines the different inputs and shows how they have contributed to the outputs.

The first set of activities concerned the setting up of the local GC network in Syria. This involved establishing a Project Board composed of SPC and the UNDP. The local network was launched with a communication strategy, awareness raising activities and action orientated meetings with prospective members. The network meets regularly and attendance and the contribution of members is said to be high.

A Syrian GC National Advisory Council was also established and held a founders' meeting on 15th October 2008. The Council term is three years, convenes twice a year, and has three main responsibilities: endorse and guide implementation of the GC Principles; represent GC in domestic and global forums, and; lobby, advocate and mobilise resources for development projects within the GC framework. The founders of the Council include representatives of the Government (SPC), UNDP, the private sector, education, civil society, media and GC itself.

The GC project is clearly having an impact within the business and NGO communities, which has been recognised by the Government who has agreed to provide funding for the third year of operations. In the first year, 2008, the project was funded entirely by the UNDP ($230,000). In the second year, 2009, the split was 50-50 with the Government ($150,000 in total). In 2010, the entire budget ($200,000 for GC) was paid for by the Government. This indicates real success and support would not have been offered had there been no demonstrable impact.

The second set of activities concerned the completion and promotion of three studies on: 1) Human Rights and Labour Conditions, 2) Environment, and 3) Anti-Corruption. These studies were completed by national consultants who reviewed the status of each of these areas in Syria and made proposals for legislative changes that could offer incentives and penalties for companies to respect these principles. The first two studies have been approved by the relevant Government authorities, while the third is yet to be approved. No action has so far been taken by the Government on implementing their recommendations.

The third set of activities revolves around the promotion of the Inclusive Growth concept and its application. This is being encouraged in two ways.

The first way to promote Inclusive Growth is to encourage businesses and NGOs to be involved by becoming members of the GC (as discussed above). The project has been successful in this regard, comfortably exceeding targets for membership, persuading 41 companies to join the network (as of March 2010).

As members, companies are required to commit to aligning their operations and strategies with the ten GC principles (outlined in Annex E) and to report every year on progress towards doing so. These reports will be publicly available on the International GC website. To date, no reports from Syrian members have been submitted (they have not yet become due), but the requirement has been made clear to members and the project team is confident that its strategy to work with companies to produce these reports will prevent companies from being automatically de-listed, the usual consequence of non-compliance. We recognise that this pro-activeness goes beyond standard GC monitoring requirements. However, it is too early to assess its success at this stage.

The second way to promote Inclusive Growth is to identify specific ways in which Government, business and civil society could collaborate and implement projects that would benefit society.

To do this the project team works with SPC, using the 10th FYP as a reference, to identify development projects. The UNDP team approaches GC business members with proposals asking for financial and technical support for implementation. The businesses then chose the projects they deem most aligned with their objectives and capacity and sign an agreement with UNDP regarding finance and any required technical assistance. The following four projects have so far been started or signed-off (with others in discussion):

1. MTN: $500,000 to set up and support a Cancer Research Centre at Beyrouni Hospital in Damascus over five years
2. Emaar: $12,000 cash and $100,000 in in-kind services to work on restoring the old souqs in Deir Ezzor, working with another UNDP project, Boosting the Business Climate and Tourism in Deir Ezzor (see project eight)
3. Bank Byblos: $30,000 for work with children suffering from cancer, with the NGO Basma (2009)
4. Syriatel: $750,000 planned for the establishment of a vocational training centre in Lattakia and $100,000 tentatively committed for a tourism project in Palmyra

These projects are funded by the companies, but managed and implemented by the GC project team. Day-to-day management is done by the project team, with steering meetings with the donor when required. These projects show that the GC programme has been successful in persuading companies to see themselves as stakeholders in society and to contribute to causes aligned with Syria's development priorities.

Additional Activities

The GC network has also had positive effects of raising the role of Syrian business in the international development process. In the summer of 2010, Global Compact Syria will be present at the UN Global Compact Leaders' Summit in New York as Patron Level sponsors (the highest available). This represents a significant achievement since the Syrian Global Compact network agreed to collectively meet the cost of sending a delegation up to $100,000.

Syria is the first country to attend as a unified front for business—sponsorship for the summit is normally provided by individual companies—a move which has been enthusiastically received by UN GC in New York and rewarded with additional displays, on top of speaking and session moderation opportunities. This representation provides significant prestige and visibility for Syria on a global stage, as well as promoting the initiative in Syria, which will surely help attract other companies to join.

The GC Programme has built up a steady portfolio of projects and has persuaded a large number of companies to join the scheme. This is a promising initiative linking business with NGOs to share skills and experience to drive benefits for Syrian society. If the issues outlined below are properly addressed then the GC Programme should yield yet greater benefits in the future.

Issues

During the course of the evaluation, five issues came to light which should be addressed in order to ensure that the GC Programme delivers its benefits satisfactorily:

1. **Assisting Compliance with GC Principles**: The single biggest purpose of the GC is to help companies to make progress towards aligning their businesses with the ten GC principles. This is so that 'business, as a primary agent driving globalisation, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.'[16]

   The approach to GC monitoring is 'softly-softly' based on GC assisting members to adapt to the GC principles, as stipulated by GC headquarters. Prior to entering the GC network potential members are not asked to assess their status with relation to the principles, nor detail a plan for how they will move towards conforming (the goal is to get businesses moving in the right direction, not necessarily to confirm completely). Other than production of the three studies there have been very few activities around facilitating knowledge sharing or workshops on how companies can move towards compliance.

   The outcome is that GC members interviewed have noted that membership has had little or no impact on the operations of their companies. Given that this is the fundamental core of GC, consideration must be given to how this can be prioritised practically in the future (suggestions are provided below in our recommendations). We understand that there are restrictions based on GC global regulations and methodologies, but we believe that this is something the GC team in Syria could raise as an issue at that level.

2. **Business / NGO links**: The GC Programme has had success in convincing certain business members to implement some of their CSR work through the GC team and into development projects (see list above). However, in at least one case, the links between the business (donor) and the NGO (beneficiary) are through GC, and therefore indirect, and the technical relation between the business and NGO is not always maximised through a working partnership.

   This gap means the business tends to act more as financial donor than a partner who leverages skills and experience into achieving development objectives. This also reduces the impact the project could have on the core business and misses an opportunity to use the process to help the business move towards compliance with GC Principles.

3. **Sustainability / Handover**: Global Compact is presently hosted by the UNDP Programme at the State Planning Commission, but has no separate legal status. Planning for the legal and operational status once the Programme ends appears to be at a very early stage. In order to ensure the sustainability of Global Compact once UNDP's assistance has ended, planning in this area needs to be advanced

[16] www.unglobalcompact.org/aboutthegc/index.html, accessed 22 March 2010.

significantly, and a decision on the future of the project needs to be taken at least one year before the predicted end date to ensure sufficient time for the necessary training, legal arrangements and transfer. More consideration to this should have been given in the original project documents under 'sustainability'.

4. **Widening Membership**: Many of the companies that have joined the Global Compact in Syria are services companies with skilled employees and small environmental footprints. While engagement from all sectors is important, it would be good to see better representation from manufacturing or agriculture sectors which have bigger environmental impacts and high numbers of low-skilled workers, and who are more likely to need work to conform to GC principles (particularly labour conditions). While the evaluation team recognise that the programme is still at an early stage and that it was important to build momentum, the sector mix of members is an area that can be further developed as the programme progresses to fully represent the mix of businesses in the Syrian economy.

5. **Global GC Monitoring System (not Syria-specific)**: We recognise that GC Syria has taken a proactive approach to the GC monitoring system. At a Global level, however, the monitoring system suffers from two potential issues. The first is that the barriers to entry into the GC are too low, and companies can join without being fully committed to the principles. This has meant that many companies have joined and been subsequently de-listed. (The Syria GC team has worked to ensure that commitment among it members is high before being allowed to join.)

   The second issue is that the monitoring system stipulates self-reporting, which may not be tough enough to encourage change and is open to abuse. Neither of these issues is unique to the Syria GC implementation. Indeed, the Syrian GC team has been proactive in trying to avoid the mistakes of other countries. Revisions to the monitoring system are suggested below.

Recommendations

At just over half way through the GC Programme significant achievements have been made. With just under two years left under the stewardship of UNDP there is time to address issues noted above regarding effectiveness, impact and sustainability of the project. The following recommendations address these issues and are made first for Global Compact and then for UNDP.

For Global Compact

1. Increased focus should be placed on compliance with the GC principles, and companies should be aware that this is the primary purpose of GC. The project could have a significant impact in driving change in these areas given the growing importance of the private sector in Syria.

   One suggestion for improvement would be for GC to facilitate more activities such as workshops and knowledge sharing between members. Companies with a good record in this area could be encouraged to share ideas and practices with other GC members through partnerships, mentoring or other sharing arrangements. This would be a good example of a full interpretation of 'Inclusive Growth'.

2. Business / NGO links could be strengthened through creating a genuine partnership between the business (donor) and NGO (beneficiary). GC should act as an 'enabler' that connects businesses with NGOs, making initial contact, providing support, but allowing them to implement projects together as partners.

This is beneficial to companies since it gives them a real stake in their projects, bringing them closer to real development work, uses skills from the private sector to implement projects well, and negates the need for an extra level of management between the company and the NGO. Business in Syria is adept at getting things done and meeting targets, and this know-how could be used to great effect. Therefore agreements should be negotiated and signed between companies and NGOs, not with UNDP. The UNDP should simply assist this process. This will ensure buy-in both on the side of companies and NGOs (and other required stakeholders).

In addition, getting companies more involved in the projects rather than simply financing them would also allow them to use their core businesses to effect change. This has the dual benefit of being relatively inexpensive and helping businesses as they strive to comply with the GC principles. For example, telecoms companies could provide internet and computer training (eg, MTN has a project with Massar to provide internet connectivity for rural schools), manufacturers and construction companies could be encouraged to provide skills training and work experience for the unemployed, engineering companies could be encouraged to provide apprenticeships. Rather than simply financing development projects, this would reflect an expanded and fuller conception of 'Inclusive Growth' that could benefit Syrian society as well as the businesses involved.

3. The GC Monitoring System could be improved to ensure members are committed to achieving GC Principles and by making the reporting system more independent. Companies should be submitted to an initial assessment of their GC compliance and produce an action plan of activities they will carry out to move towards compliance. This would ensure commitment to the GC Principles and create a benchmark from which to measure progress.

   Second, more credibility would come from a light form of independent assessment rather than self-assessment. We note that companies are sensitive to having someone evaluate their activities but interviews could be conducted with the company principal and HR managers, rather than a full auditing process. The original action plan filled in by companies upon entering the network would be used as a benchmark to show improvements, rather than achievement of compliance. This would be a more active way of making members think about their core business activities from the start of membership. An example of a voluntary system that has independent monitoring for compliance for companies is the Extractive Industries Transparency Initiative (outlined in Annex F).

   While it is recognised that the GC Monitoring System may be set globally, it should be possible to institute a more independent mechanism which could serve as an example to other countries. For example, the members could contribute to a central pool to pay for an external evaluator. The GC Programme could use its speaking opportunity at the New York summit to promote this idea on a global scale.

For UNDP

1. Regarding future sustainability, during the course of this evaluation UNDP has moved impressively to begin discussions and planning of the handover. This planning should be continued so that a permanent home for the GC is found for when the project ends at the end of 2011.

   During interviews, indications were made that GC might be transferred to a newly-created Community-Based Organisation (CBO), among other options, but given that new NGO law is still in the process of being drafted, a final decision will await its completion.

We recommend the project is not moved to an existing NGO but it would be preferable for a CBO type organisation to be founded. Businesses could provide funding through a membership fee (perhaps proportional to the size of business). If existing UNDP GC staff would not follow GC to another status then consideration needs to be given to providing a sufficient handover involving training, introductions to GC network members and a degree of hand holding post handover.

2. GC should take a less active role in running and managing projects, and act more as an enabler between the private sector and NGOs. The GC Team has much to offer both businesses and NGOs during the project design stages but their services should be as consultants and not project owners or managers. Relations between businesses and recipient NGOs should be as working partnerships, which the GC team can help facilitate. Otherwise UNDP runs the risk of being an NGO platform, which is beyond its remit in Syria. This approach fits better with the likely future of the GC once it is no longer a UNDP project.

3. Finally, UNDP could provide strategic support to study ways of bringing in an independent monitoring mechanism that would give added credibility to the GC reports, and would give further encouragement to companies to make real change to the operations and strategies. It is not beyond the capabilities of GC Syria to become a world leader in this respect within the GC Global Network and to be recognised as such would bring the UNDP in Syria international acclaim.

Evaluation Summary

Category	Rating	Description
Impact	Medium	The Global Compact has grown quickly since its inception as an indication that the private sector in Syria is keen to engage with development issues and to work to benefit Syrian society. The network now has 41 members. However, this enthusiasm needs to be translated into more action (particularly in terms of compliance with Core Principles) if the full impact of 'inclusive growth' is to be seen. Compared to other countries GC Syria is doing very well.
Relevance	Medium / High	Relevant in engaging the private sector to conform to rigorous standards of behaviour and treats businesses as partners in development. GC has the ability to bring the financial and technical resources of the private sector into contact with NGOs. Greater focus on compliance with the GC principles would increase relevance to Syria's development priorities.
Efficiency	High	The efficiency of the programme is indicated by the willingness of the Syrian Government to take over the running costs of the programme.
Effectiveness	Medium	The programme has been effective in generating money for CSR projects and an impressive number of companies have

Category	Rating	Description
		signed up as members. However, the second stage of the project needs to focus more on compliance to the GC principles and forging direct links between companies and NGOs in working partnerships.
Sustainability	Medium	UNDP and the GC team have taken steps to planning for a sustainable future for GC in terms of defining the legal status and possible hosting of the project post-2011 Global Compact. An exit strategy for UNDP should have been integrated into the original project document and discussed throughout the cycle of the project.
Overall	Medium/High	

Project Six: 'Modernisation of the Customs Directorate' (Feb 2005 – Feb 2007)

<table>
<tr><td colspan="3">Title: 'Modernisation of the Customs Directorate' (Feb 2005 – Feb 2007)
Status: Closed</td></tr>
<tr><td>Implementing Partners
Customs Directorate (Ministry of Finance)</td><td>Budget
Total
Government
UNDP</td><td>
US$9,165,000
US$8,665,000
US$ 500,000</td></tr>
<tr><td colspan="3">Objective
To modernise the working of the Customs Directorate by implementing a new automated computer system and software and corresponding processes</td></tr>
<tr><td colspan="3">Outputs
1. Design, deploy and roll-out a secure national Customs connectivity infrastructure to be executed in three stages and strengthen institutional capacities in Customs to support modernisation and automation</td></tr>
<tr><td colspan="3">Beneficiaries
Ministry of Finance (Customs Directorate)
State Planning Commission (Other Partner)</td></tr>
<tr><td colspan="3">Substantive Revisions:
N/A</td></tr>
</table>

Summary

The objective of the 'Modernisation of the Customs Directorate' project (henceforth 'Customs Project') was to modernise the working of the Customs Directorate by implementing a new automated computer system and corresponding processes. The project comprised two main outputs covered in two separate project documents: one for hardware implementation (led by UNDP) and another to install ASYCUDA customs software onto the hardware (led by UNCTAD). We have considered both outputs in this assessment.

UNDP's role was to design, deploy and roll-out a secure national Customs connectivity infrastructure to be executed in three stages and strengthen the capacity of Customs to support the modernisation and automation process. A modernised Customs service would help facilitate trade in Syria, reduce trade costs, increase its competitiveness standings and make Syria a more attractive investment environment.

The beneficiaries of the project were the Ministry of Finance, the Customs Directorate, as well and State Planning Commission. The intended indirect beneficiary was the business community that could expect to benefit from modernised custom procedures.

The project began in February 2005 and was due to end in February 2007, but was delayed due to several factors and eventually ended in February 2008. The project ended having achieved: (1) installation of computer hardware, connectivity and security cameras covering 27 locations, (2) setting up two data centres (one at the Customs Directorate and a backup data Centre in Lattakia), (3) installation of ASYCUDA software, (4), substantial renovation work on Customs offices and border posts, and; (5) capacity building on IT skills and ASYCUDA training for Customs staff. Total spending of the above outputs reached $4 million of the original budget. The remaining budget was reallocated for the establishment of a regional ASYCUDA training centre in Syria, which will provide ongoing support to Customs and further development of ASYCUDA.

While UNDP/UNCTAD was able to achieve success in implementing outputs, limited technical capacity and resistance from Customs itself has left both teams frustrated that the overall impact of the project has not been greater. We discuss issues related to this and others below with a series of recommendations for Government and UNDP, where we still envisage a role in Modernising Customs.

Inputs and Outputs

Inputs to this project were an overall budget of $9,165,000 and an average team of 6 people and a National Project Director (from UNDP). The designated implementing partner was the Ministry of Finance (MoF).

The following section outlines the inputs for the activities and shows how they resulted in outputs.

The overall objective of the project was to put in place a functioning computer system (hardware and software) which would allow the Customs Directorate to offer a more effective and modern service, as well as increasing revenue for the Ministry of Finance. The UNDP responsibility was to install hardware and connectivity and UNCTAD's responsibility was to install the ASYCUDA software and ensure functionality. These projects relied heavily on each other for their success, and were therefore required to work together closely to achieve their objectives.

UNDP was awarded the project to carry out this work after a commercial tender for the automation of the Customs Directorate was cancelled. UNDP had been able to source the ASYCUDA software free of charge to Government and provide the hardware and consulting services at a lower cost. However no provision has been made yet for maintenance (which the commercial bidders did include). The total UNDP project cost came to just over $9 million, including installation of CCTV cameras at the request of the Government. The commercial bids were much higher, with one company bidding $34 million and over $100 million for maintenance services over ten years.

The activities of the UNDP project revolved around three components. First, installation of computer hardware and connectivity infrastructure at the border points (the initial plan identified 60), the Customs Directorate in Damascus and regional offices in order to enable real-time electronic customs registration. Second, renovation of the office and work spaces at the Customs Directorate, regional offices and the border points. Third, setting-up of a data centre in Damascus which would store all the transaction data, supported by a back-up data centre in Lattakia.

The installation of hardware and connectivity infrastructure proved to be challenging, especially in rural areas with unreliable infrastructure. The UNDP project succeeded in overcoming many of the technical problems proposing some innovative solutions (eg, using satellite or long-range Wi-Max). Unfortunately, not all these were implemented as a result of security constraints. As a result two data centres were established (the main centre in Damascus with a back up in Lattakia), 27 border checkpoints were installed with computer hardware and CCTV cameras, and substantial renovation work was carried out on Customs Offices. IT training was provided to the majority of Customs staff in preparation of ASYCUDA.

To complement the installation of computer hardware, the UNDP Project also provided training in basic computer skills and English language to Customs officials. This training did not cover specific skills for use of ASYCUDA, but was intended as a basis that UNCTAD could build on in its own training programmes for ASYCUDA.

The ASYCUDA installation is being delivered by UNCTAD and is an essential component to the overall success of the UNDP project. ASYCUDA automates Customs registration procedures by allowing electronic filing and processing of declarations. It automates the process of calculating applicable tariffs as well as directing Customs officers to search and verify declarations using a risk analysis function. (The risk analysis function of ASYCUDA uses information on shipping companies, origin of trade and other relevant data to identify which shipments have a high risk of being suspicious and directs Customs officials to conduct detailed checks for such shipments.)

For the Customs Directorate AYSCUDA brings five main benefits: (1) unifies Customs procedures, (2) simplifies procedures, (3) speeds-up procedures, (4) improves customer service by allowing people to file Customs declarations online, and (5) improves the statistics on trade. By automating the process, it also eliminates to some extent the risk of corruption, which if eliminated UNCTAD calculated could raise Government revenue in Customs by 80-90%.

ASYCUDA installation is ongoing—currently 85% of Customs registrations are done using the system—and is due to finish by the end of 2010. The roll-out was initially scheduled to finish by February 2007, but has taken significantly longer than implementation in comparable countries: eighteen months, compared to a more usual three to six months. Even when implementation is completed, installation can only be considered about 60% complete since the risk analysis module will not be in operation.

The allocated budget that was not spent by the UNDP project on hardware (around $3 million) was reallocated to UNCTAD to pay for a regional training centre for ASYCUDA to be based in Syria. The decision was taken jointly by UNDP, UNCTAD and the Syrian Government authorities. This provides for increased sustainability of the new Customs system as UNCTAD trainers will be close at hand and the aim of the project is to be self-funding.

The achievements of the project can be said to be (1) installation of computer hardware, connectivity and security cameras covering 27 locations in the process overcoming numerous technological issues, (2) set-up of a data centre at the Customs Directorate and a backup data Centre in Lattakia, (3) installation of ASYCUDA will have been completed with approximately 60% functionality, (4), substantial renovation work on Customs offices and border posts, (5) capacity building on IT skills for Customs staff, and (6) automation of 85% of Customs registrations, expected to increase to close to 100% as roll-out is completed later this year. The project was only able to install hardware and connectivity because of technological barriers and some institutional resistance.

UNDP's involvement made ASYCUDA available to the Customs Directorate at a much cheaper price than the commercial bidders were offering. However, due to issues with the project discussed below, we cannot conclude that it was a success.

Issues

In light of the apparent resistance by Customs staff to the objectives of the project it is appreciated by the evaluation team that UNDP did well to achieve outputs and bring the project to the point it has. UNDP provided value for money by raising awareness of the ASYCUDA software, provided technical assistance at a low cost and leveraged the UN family to bring in UNCTAD to help with the installation and customisation of the software. In light of the difficult operating environment UNDP worked in the impact brought at an output level cannot be underestimated.

However, the project faced a number of problems, almost from the outset, which ultimately meant that the project cannot be considered a complete success. The evaluation identified five major issues which undermined the effectiveness of the project. These are:

1. **Process Changes Overlooked**: There was a failure by Customs under the coordination of SPC to review and overhaul customs procedures prior to implementation of a new computer system. IT implementations will not work unless they are done in conjunction with changes in business processes. IT projects can be used as an instrument to drive these changes, but in all cases, change has to occur at the process level as well as at the technology level. In addition, a separate project funded by the EU (Trade Enhancement Programme) worked to change Customs procedures, but there was no coordination with UNDP/UNCTAD to review how this could add value to the project. Therefore an opportunity to make positive changes to the Customs processes and to upgrade technology at the same time was missed.

2. **Change Management**: 'Change Management' is the project management process for controlling organisational, strategic, technological or behavioural change and overcoming the many risks involved in such large-scale changes. It enables project managers to anticipate issues and risks, and to take preventive action to ensure that they do no compromise the success of the changes.

   Change Management is one of the most important aspects in the project management of a large technology implementation. Unfortunately this was overlooked by both the UNDP and UNCTAD portions of the project and Customs themselves did very little in this respect. In other words, the capacity of the Customs Directorate to adapt to large-scale change, especially the introduction of sophisticated new technology, was over-estimated.

   Any large implementation project will meet resistance for a number of reasons. In this case resistance arose from: 1) a general reluctance among Customs staff to work differently (where change management could have been most effective); 2) confronting vested interests of staff (this could have been foreseen with sufficient risk assessment), and; 3) a general lack of vision by the head of Customs to promote the need for change (although this varied due to change in directorships). These factors are not unique to this implementation and could have been foreseen. While resistance cannot be eliminated, a good change management programme could have reduced its impact significantly.

3. **Resistance and lack of Support**: Support for the project was inconsistent from the top of the Customs Directorate. Progress was therefore difficult and slow. The high turnover in the post of Director was also a destabilising factor to the project. The inconsistency of support at the top of the Customs Directorate exacerbated a problem of resistance to change at the lower levels. Some of this resistance came because the project promised to reduce corruption, and therefore the informal earnings of Customs officers.

4. **Poor Coordination**: A number of obstacles presented themselves that could have been overcome by better coordination in Government. That these obstacles were not dealt with led to problems with completion of project objectives. For example, infrastructure needed to put connectivity in place for the border posts was in many cases not in place. Installing internet connections between the border posts and the central data centre could not be done in places where fibre-optic cables and ADSL lines had not been installed. While the project proposed a number of innovative solutions to these problems, security concerns meant that solutions could not be implemented.

   A second example concerns the setting of tariffs. No clear centralised system for setting tariffs exists, which means that tariffs can be imposed by Ministries without consideration of their wider impact and whether they can be easily implemented. This has led to a system with a far greater number of different tariffs than international best practice suggests (in fact, ASYCUDA, despite customisation, is unable to catalogue all the required tariffs), and this prevented the system from being able to properly support work in the Customs Directorate. Again, had process changes been integrated into the project at an earlier stage greater tariff harmonisation and centralisation could have been achieved prior to ASYCUDA installation.

5. **Maintenance and Sustainability**: Maintenance is another key component of technology implementations that was overlooked. Modern technology is quick to go out of date: accounting best practice is to depreciate the book value computer hardware over 4-5 years. It has been noted that much of the equipment installed by the UNDP project has begun to go out of date, and the intranet network at the Customs Directorate already experiences frequent outages due to poor bandwidth which has limited capacity to synchronise data across the system. Responsibility for maintaining and replacing obsolete hardware has not been allocated. While the ASYCUDA software will benefit from the presence of a regional training centre, no such provision is in place for the hardware. Moreover, the Customs Directorate is vulnerable to key IT employees leaving, which would limit the IT department's ability to maintain the new technology.

Recommendations

To Government

Automation of a fully functioning Customs Directorate will enable the Syrian Government to implement a more effective trade regime. It is therefore a priority to ensure that ASYCUDA is working well and to its full capacity. To this end, the Government should re-establish the ASYCUDA working group at Ministerial level which provides a forum for raising problems facing the system, and a way of resolving them, and has been actively supported and promoted by the EU-funded Trade Enhancement Programme (TEP).

At the operational level, a technical committee could be charged with performing a similar role. This would ensure that all relevant stakeholders (including *inter alia* Ministry of Finance, Customs Directorate, Ministry of Economy and Trade, State Planning Committee, Ministry of Communication) contribute to better functioning of ASYCUDA, facilitated by the EU team at the Customs Directorate. This working group should be extended to general Customs issues, to give a mechanism for the Customs Directorate to push back against new and old tariffs that are impractical or difficult to implement. This would also enable considerable simplification of tariffs, which would reduce the cost to the Government and business in administration.

A second recommendation is to ensure that the Customs Directorate reaps all the benefits of ASYCUDA. This means ensuring that the risk analysis module described above is installed and in use as soon as possible and ensuring that Customs staff are well-trained and equipped to provide a modern, professional Customs service. The Government must put a proper plan in place to deepen the use of IT and ASYCUDA over the next five years. It should fund a further project to implement the risk analysis module, as well as providing resources for regular maintenance and upgrading of hardware to ensure that it works smoothly. At the same time, this work must be in conjunction with process-reengineering at the Customs Directorate. Any further project that does not include this component is likely to fail. Change management will be a further essential component.

SCB

To UNDP

While this project was highly relevant for national priorities we consider it less suited to UNDP's mandate. While UNDP's comparative advantage of low cost technical assistance and network in the UN can achieve outputs, it does not have the experience to implement large-scale IT projects, which involve far more than simply installing hardware and connectivity infrastructure. The project management and change management required of such a project is highly specialised and beyond UNDP's capacity, or for that matter, its mandate. We recommend that in the future UNDP should not get involved in such large-scale IT implementation projects.

On the other hand, UNDP is high valued by the Government for its ability to influence and provide policy advice. In particular, UNDP's independence and strategic planning skills have been widely praised by participants in this evaluation. We suggest that UNDP plays to this strength, concentrating its efforts at Outcome level, defining the strategies that the Government should be following, rather than concentrating on low-level Outputs.

We therefore recommend that UNDP's future role in the Customs Directorate should be to assist the Government to prepare its strategy for getting the most out of ASYCUDA, changing work processes within the Customs Directorate, and training staff in modern Customs practices. Linking with its own 'Government Services Reforms and Modernisation Programme' would help address issues of change management and staff training. Working to simplify tariffs is another area that could benefit from UNDP involvement and in fulfilling its role in the partnership to 'assist the government in its donor coordination functions (CPAP, p.17) needs to look at how the work of the EU's TEP project is integrated into the UN contribution.

We further recommend that UNDP should be more cautious about entering commercial bidding processes. Private sector actors are often well-equipped to carry out work in their areas of expertise, and there are a large number of companies specialising in IT consulting services and systems implementation. UNDP should be slow to crowd-out the private sector, instead targeting its interventions in areas where the private sector does not provide adequate services and assisting Government with managing contracts with the private sector, as it has successfully done in other projects (notably in Lattakia Port).

Evaluation Summary

Category	Rating	Description
Impact	Medium	Rollout of the hardware and connectivity infrastructure proceeded well, and overcame many problems, but is not yet complete. However, impact was not as high as expected due to resistance to using the new technology and problems in the implementation of ASYCUDA. While this last was out of UNDP's direct control, UNDP's impact was nevertheless affected.
Relevance	High	Modernisation of Customs is an important and highly-relevant area for national priorities. However, projects of this sort are less relevant to UNDP's mandate and while UNDP could have taken a project management role we question whether it was suited to IT implementation.

Category	Rating	Description
Efficiency	Medium	The work completed by the UNDP project team represented good value for money. However, ASYCUDA is only working at 60% capacity. In order to get more out of ASYCUDA, greater resources into the project were required. Therefore, while the project was not inefficient, it required more investment to maximise efficient.
Effectiveness	Low/Medium	This was an ambitious project aiming to make significant changes to the Customs Directorate. However, the change process was not managed, and therefore the overall effectiveness of the project was compromised, since overall change has not been significant.
Sustainability	Low/Medium	Provision for sustainability of ASYCUDA skills was made at a late stage in the project with the regional training centre. However, the IT department at the Customs Directorate is vulnerable to staff turnover, which risks the sustainability of the project. Moreover, no provision for replenishment of hardware was made by the project, and much of the equipment is already, or is becoming, obsolete.
Overall	Medium	

Project Seven: Preparatory Assistance for Modernisation of Syrian Maritime—Lattakia Port[17]

Title: Preparatory Assistance for Modernisation of Syrian Maritime—Lattakia Port (Jan–June 2006, or up to one year) **Status:** On-going		
Implementing Partners Ministry of Transport	**Budget** **Total** Government (Ministry of Transport) Regular (UNDP)	 **US$608,500** US$586,425 US$50,000
Objective: To develop and modernise seaports including streamlining the related work process, to improve maritime safety/security and marine environment protection by further strengthening Maritime Administration, to modernise the Syrian merchant shipping fleet, to facilitate maritime trade and to upgrade its maritime training and education system.		
Outputs: 1) An assessment study for the development and modernisation of Lattakia port to identify activities and policies required to streamline work processes and upgrade the capacities of the port to match international standards and facilitate trade (including transit and trans-shipment) 2) Plan and prepare training for the Maritime Administration on issues related to safety and security and marine environment protection 3) Support the revision of the legal framework for issues related to improving the Syrian Merchant Shipping Fleet and the Facilitation of Maritime Trade (customs and import regulations, and investment incentives) 4) Advocacy and awareness raising on the urgency of improving maritime safety and security, and marine environment protection, in order to facilitate maritime trade 5) Planning and preparation for the development of an enhanced 'maritime transport education and training system'. 6) Formulation of fully fledged Project Documents		
Beneficiaries: Lattakia Port General Company, Syrian Harbour Authority, Syrian Ship Owners, Traders, Syrian Export and Import Businesses		

Summary

Several objectives were originally planned in the 'Preparatory Assistance for Modernisation of Syrian Maritime Project' and are listed above in the summary table. Following an initial visit from UNDP and consultants in 2005 revisions were made and the following four projects were established for intervention: 1) Expanding the Port, 2) Expanding silo capacity, 3) Establishment of a maritime training centre, 4) Organisation of the Port.

An agreement for UNDP to assist on these projects was signed in late 2005 with the Ministry of Transport and work began in early 2006. The project was expected to last for one year, but although the last activities were completed in 2008 the project is, as of this report date, still open and awaiting a final decision on next steps in several areas (discussed below).

The project had a budget of $608,500 and was coordinated by UNDP's Business for Development Team Leader without a designated Project Director. Expert consultants were used at several stages throughout the duration of the project.

[17] Full title: Modernizing of Syrian Seaports (Lattakia), Strengthening the Maritime Administration, Enhancing the Facilitation of Maritime Trade, and Upgrading the Maritime Training and Education System

The main activity involved a series of visits and a final report produced by UNDP commissioned consultants containing recommendations and a plan covering Port expansion and re-organisation. Lattakia Port General Company (LPGC, a Government organisation) did not favour the recommendation in the report to expand the Port northwards and has so far not made a decision to pursue the plan (which included several other related studies required for expansion at a cost of $600,000). UNDP's involvement with the expansion project is on-hold.

The report also recommended re-organisation of the Port and LPGC made the decision to privatise the container terminal. UNDP were requested to manage the tendering process and Lattakia International Container Terminal (a consortium of CMA/CMG and Souria Holding) were chosen as the preferred operator (taking over operation of the terminal in October 2009). UNDP's involvement in this process was highly praised by both LPGC and LICT.

A report was produced to establish a Maritime Transport Training and Education System reviewing maritime vocational training in Syria, a needs assessment on Lattakia Port and specification for a training centre. The recommendation to build a new centre was dropped in favour of developing an existing institution and UNDP's involvement in this project has ended.

UNDP also produced a report on the expansion of silo capacity in the Port, which recommended adding an additional grain silo of 100,000 tonnes. UNDP established terms for a competitive bidding process but since the Ministry of Transport decided the project would be developed by a public company UNDP's involvement has no longer been required.

Upgrading of the privately owned maritime fleet progressed as far as UNDP proposing a project to the Port Harbour Authority for a $200,000 programme but the Authority rejected the offer and no further actions were taken.

UNDP undoubtedly added significant assistance to LPGC, particularly in managing the container terminal tendering process. Decision-making delays by LPGC and the Ministry of Transport have prevented UNDP from furthering their involvement, therefore the majority of issues and recommendations outlined below are directed to LPGC and the Ministry.

Inputs and Outputs

The preparatory assistance Project Document, drafted by UNDP in February 2005, identified five key areas for attention (listed in the summary table above) under a five year preparatory assistance programme. Following a preliminary agreement between UNDP and Lattakia Port General Company (LPGC) a visit was conducted by UNDP with a team of consultants. After this visit, and on UNDP recommendations, revisions were made to activities in the original Project Document. Four key areas were identified: 1) Project for a maritime training centre, 2) Project for expanding silo capacity, 3) Project for Port expansion, 4) Project for organisation of the Port. An agreement for UNDP to assist on these projects was signed in late 2005 with the Ministry of Transport and work began in early 2006.

The first set of activities revolved around Port expansion. A study was conducted in November 2006 by two consultants hired by UNDP. The sub-tasks for this study were: a) look into current operations to identify areas for upgrading to improve efficiency and safety, b) review earlier Port Master Plans, c) outline Port development prospects 2006-10, d) outline the container port expansion plan 2010-15, e) produce a development implementation strategy, and; f) recommend an action plan for implementation.

The consultants carried out two field visits, interviews and reviewed the following previous Master Plan studies:

- JICA Master Plan for the development of Lattakia Port (1996) including three case studies.
- SoyuzmorNIIProekt, a Russian consultancy, carried out two Port Master Plans for Lattakia Port, one in 2003 aimed at maximising the number of births, the second in 2006 to upgrade to state-of-the-art port terminals. UNDP consultants were only given suggested expansion layout plans, with no traffic forecasts or supporting documents.
- A study conducted by Dutch consultants (Michael Van Berckel and Egge Wiersum) in 2003, uncovered during this evaluation, was not reviewed by the UNDP consultants suggesting this report was not passed to them.

In their final report titled, 'Lattakia Port Construction and Development Concept (2010-15)' the UNDP consultants' main recommendations were: 1) expand the existing port northwards; 2) conduct a forecast of future traffic in the region to determine required capacity (none had been made since 1996); 3) conduct a wave and vessel manoeuvring study; 4) assess road-rail transport in the context of the expansion; 5) conduct port expansion in three stages (at an estimated cost of USD 790 million[18]), and; 6) focus on technical, administrative and legal preparation for expansion, plus transparency of the tendering process

In 2008 Government reviewed all studies and decided to go with the recommendation in the UNDP report to expand the existing port northwards.

Following this decision, UNDP Business for Development team submitted a proposal in March 2009 to LPGC to conduct preparatory work for a full expansion project (based on recommendations from the UNDP 2006 report). This would require advisory services to implement recommendations and reports mentioned above and would require hiring economic and regulatory consultants, legal consultants, technical consultants, environmental consultants and financial consultants at a cost of $600,000. Legal and financial consultants would be required due to the likely involvement of private equity for project financing and need for a special purpose company to manage the expansion.

LPGC decided the consultancy costs were too high and sent a letter to the Ministry of Transport on 31st March 2009 requesting a consultant from the Deputy PM's Office to work on managing the expansion process. To date, no action has been taken to further this request.

UNDP have since made a revised offer with reduced fees (but with a reduced scope of work) that is being reviewed by LPGC. Until a decision is taken UNDP's involvement in the port expansion project appears at this stage to be indefinitely on-hold.

The second set of activities was regarding Port organisation. The 2006 UNDP Development Concept (2010-15) report noted, 'Improving of container handling and storage facilities is urgently needed' and 'development of new container facilities requires substantial financial resources and takes 5-10 years for project preparation, planning and construction' (p.13).

The report found containers had a dwell time of 12 days for import (mainly due to customs procedures) and five days for export. An acceptable dwell time for import was put at 5-8 days. The area of the container stacking yard was deemed insufficient and containers were being stored in operations areas, resulting in inefficient and unsafe operations. As a result, the decision was taken by LPGC to privatise the container terminal and UNDP were asked to manage the tendering process.

[18] Lattakia Port Construction and Development Concept (2010-15) p.32

Both the Port and LICT (the company set up by the winning consortium of CMA/CMG, a French company, and Souria Holding, a Syrian holdings Company, to manage the container terminal) praised UNDP's involvement in managing the tender process for their credibility and technical contribution, and stated the project would not have progressed to this stage without their assistance. This was therefore a significant and valuable contribution.

A Management Contract with the following conditions was signed between LPGC and LICT: i) maintain all current staff and of new staff 90% should be Syrian, ii) maintain existing tariffs (the Philippine company in Tartous increased tariffs which harmed trade volume), and; iii) revenue sharing agreement 61% for Government and 39% for CMA.

Operations were handed over to LICT in October 2009. Subsequent to the contract being signed UNDP experts have visited the Port and suggested that if the Project Board[19] decides to keep the project open (UNDP are still waiting on a decision) a second phase should be implemented which would i) supervise the container contract to assess whether LICT is fulfilling obligations (investment in new equipment, staffing, performance, etc.), and; ii) set up and monitor financial success indicators of the Port.

The third set of activities was to look at establishing an integrated Maritime Transport Training and Education System. The objectives here were to: 1) develop an integrated education system for all personnel in the maritime sector (Port, administration, management, shipping companies, ship operations, Port operations, and in the second sector in shipping agencies, brokerage and insurance); 2) ensure education confirms to STCW requirements; 3) improve skills of personnel working in the Port through establishing a dedicated Port training centre and providing ToT courses, and; 4) provide English language training to all personnel in the sector.

A consultant with experience in Egypt and Jordan (upgrading of Aqaba Port) was hired to carry out a review of maritime vocational training, a needs assessment of Lattakia Port and to design the specification for a training centre. A meeting was held with the Minister of Transport and directors of both Tartous and Lattakia Ports. The recommendation to establish a new centre was dropped and it was decided to develop an existing institution. A site has been found but the college is yet to be built. UNDP's involvement in this part of the overall project has ended.

The fourth set of activities was to look at rehabilitation of the silos. A study of the Port's silos was conducted by UNDP contracted experts in September 2006 and it was decided to develop an additional grain storage capacity of 100,000 tons in the Port (the existing 35,000 tonne silo has been out of operation since an explosion in 2005). The Port and Ministry of Transport accepted this recommendation and in 2009 UNDP established terms for a competitive bidding process. However, the Ministry has since decided the project would be given to a public company so no bidding process was required.

A final set of activities aimed to assist in upgrading the Syrian privately owned maritime fleet. The majority of Syrian ships are old, badly maintained and fail to comply with international convention requirements. Ships under the Syrian flag are placed in the very high risk bracket of the Paris MoU on Port State Control and black listed from entering some EU countries' waters. As a consequence import trade relies heavily on foreign flag vessels.

It was reported in interviews that Syrian ship owners blame the change in Investment Law 10 of 1991 to Investment Decree 8 of 2007, and the subsequent reduction in incentives, for not upgrading their equipment with younger ships or installing new parts. In response, UNDP

[19] Comprising the Deputy Prime Minister, Minister of Transport, Head of SPC, UNDP and LPGC

proposed a project to the Port Harbour Authorities (covering all Syrian Ports) at a cost of $200,000 which would review and prepare amendments to existing national laws and advise on international practices that provide incentives for ship-owners to modernise their fleet. The Port Harbour Authorities rejected the offer and no further actions have been taken by UNDP in this area.

Additional activities included conducting a training workshop on Maritime Transport for both Lattakia and Tartous Ports and holding a conference with the three ports (Lattakia, Tartous, Banias) in conjunction with ESCWA (who also have a maritime project) where Iraqi traders were invited to encourage transit trade. Other activities included a review of Port operations and safety by a UNDP team prepared by Captain Hans-Juergen Roos in September 2005 which fulfilled an objective of the original project document.

UNDP's impact on Modernising Syrian Ports has been mainly through their assistance in privatising the container terminal. This resulted in increased private sector investment to improve operations through the purchase of carriers, cranes, trucks and handlers. As a result, and due to a reported increase in productivity from the labour force (no doubt due to higher salaries) unloading times have dropped and the proportion of vessels with nil waiting time increased from 8% in October 2009 to 59% by February 2010 (although given October was the handover month and operations were not running efficiently at that stage an improvement would be expected).

Issues

During the evaluation several issues came to light concerning decision making processes, the contract between LICT and LPGC, the handover process and the current state of operations in and around the Port. Most of these issues are the responsibility of LPGC and the Ministry of Transport and we reflect this focus in our recommendations below. Whilst UNDP's current involvement in the project is on-hold, we indicate possible future areas of work, which we expand on further below in our recommendations.

1. **Decision Making:** The beginning of this project in early 2006 identified several areas for activity. Since then three areas in particular – the silos, training centre and Port expansion – have failed to progress, primarily due to the lack of clear decision making by LPGC and Ministry of Transport. Whilst it is beyond the scope of this report to explore why decisions have not been made, it is apparent that executive powers within the Port are hampered by two factors: 1) a lack of support at a senior level within Government, which places the burden of responsibility solely on the Port Authority, and; 2) profits made by LPGC are transferred to Ministry of Finance on a yearly basis and therefore restrict capital accumulation required for such significant investment.

   The delay in deciding on a course of action for Port expansion has meant the privatisation of the container terminal has occurred before the strategic direction of the Port has been confirmed, so the implications of any future expansion to the Port during the lifetime of the contract with LICT will need to be carefully considered.

   We note that the establishment of a joint steering committee between LPGC and LICT has improved communication and the ability to resolve issues. Both parties have a vested interest in maximising efficiency of the Port and such an institutional structure where decisions can be made to resolve issues is most welcome.

2. **Implementation of the Container Terminal Contract:** The agreement for the operation of the container terminal is a management contract with revenue sharing at

a ratio of 39% to the operator (LICT) and 61% to LPGC (Government). This type of contract was used instead of a concessionary kind, as is currently in place at Tartous Port.

While LICT have stated they would have preferred a concessionary contract, giving them more discretionary autonomy and a fixed income to LPGC, we judge the approach taken - with the need for both parties to co-operate and 'buy into' the efficient running of the Port, and to get the labour union to agree to the privatisation - to be a fair solution. However, issues remain with the implementation of the transfer of existing labour from LPGC to LICT.

The contract stipulates that "the Company (LICT) shall in equal conditions of competence and ability, give preference to the existing LPGC employees to choose no less than 418 employees. Existing employees of LPGC … shall remain employees of LPGC unless they are invited to be employed by the Company and accept the Company's offer," and "the Company shall select its employees during the Transition Period." (Management Contract, February 2008, p.22). The transition period was between 1st April and 1st July 2009 whereby all obligations stated in the contract should be complete.

By the time LICT took over operations (October 2009) this process had not been satisfactorily completed, largely because LICT had not received from LPGC a list of workers requesting to be transferred – the reasons for which have not been made clear. Therefore, LICT experienced a labour gap so recruited from the local market. Now that conditions for LICT employees have been settled (and are favourable) other LPGC employees wishing to transfer to LICT have been unable to do so. Further, in contravention of the contract, even those LPGC workers who transferred to LICT remain registered as LPGC employees to retain job security.

Related to the contract, in interviews with both LPGC and LICT targets for cargo handling were put at 1 million TEU after three years of operations. We found no evidence of these targets in the contract (they may have been in the original offer by LICT) where alternative and far better judged indicators of the efficiency of Port operations are stipulated. We judge these indicators as a better form of measurement than measures that depend largely on the performance of the Syrian economy which is out of LICT's control.[20]

An increase in container handling, from the current level of 600,000 TEU to 1 million TEU, would require far higher economic growth (unlikely) and an increase in transhipment trade (but Syria holds little competitive advantage when compared to nearby off-shore sites) or transit trade (Jordan does not allow containers from Syria and the high cost of unloading at Lattakia means transit trade with Iraq will remain limited). Unless transit trade to Iraq improves significantly it seems unlikely that these targets will be met.

In addition we note that with regard to the tariff structure on containers, LICT have the right to propose to fix, adjust, and charge the tariff after which the proposal is sent to LPGC for approval. Given the current tariff structure is unsuitable for current container handling purposes LICT and LPGC should work together through the joint steering committee to revise the structure and fees accordingly.

[20] Performance indicators stipulated in the contract are: Terminal Handling Performance, Average Ship Waiting Time, Ship Turn-Round Time for Container Vessels, Stripping and Stuffing of Containers, Performance on Receipt/Delivery and Storage of Goods, and Maintenance Performance.

3. **Hand-over process:** The handover of the container terminal from LPGC to LICT appears to have been done with little joint coordination and with no consideration given to change management (a structured approach to transitioning individuals, teams, and organisations from a current state to a desired future state). The container yard was found by LICT to be disorganised, with containers waiting to be unpacked scattered and difficult to find.

   More seriously, human resource management was not handled well. A lack of coordination between LPGC employees, the labour union and LICT meant that by the time the hand-over period had ended the container terminal was under-staffed and LICT had to recruit from the local market. As a result operations suffered as employees took time to learn the job (the number of containers going through Port dropped in October 2009). The dispute is ongoing as LICT has yet to fulfil contractual obligations to hire 418 workers.

4. **Port Operations**: Several issues regarding Port operations came to light during the evaluation which are not directly related to the UNDP project but may indicate to stakeholders further required areas of intervention. These are:

   a. Technical capacity within LPGC is low and the concept of project management is under-developed. While some training of existing staff could help build capacity, recruitment practices need upgrading to increase the level of skills being brought in. This process should be institutionalised and carried out through official systems rather than through nepotism (as is widely reported). Introducing project management will require training but also change in the mindset as staff will become responsible for completing tasks. This is difficult to achieve without wider public administration reform but the issue needs to be put on the table for discussion.

   b. Customs inefficiencies and procedures remain a hindrance. Despite installing high-technology scanners all containers are still opened for inspection leading to delays, increased cost and are vulnerable to contents being disturbed. Automation remains low with the ASYCUDA software being barely used and tariff structures complicated and time-consuming. This slows down Port operations, increases cost of goods to consumers and limits growth of trade through the Port. This has wider negative impacts on trade and competitiveness of the economy.

   c. With regard to the original project component, 'Support the revision of the legal framework for issues related to improving the Syrian Merchant Shipping Fleet and the Facilitation of Maritime Trade (customs and import regulations, and investment incentives),' a review of the legislative environment is still highly relevant. Tariffs need revising, investment laws need tailoring to the Maritime context and restrictions on door-to-door container transportation within Syria need reviewing in order to reduce transport costs.

   d. Corruption in the Port remains in both the container terminal and customs. Planned automation in the container terminal of a Terminal Operating System may help although if workers are losing informal income LICT should expect resistance. Customs are not fully implementing available automated systems indicating a degree of resistance (although much more training and time are also required). Again, this ties into the need for public administration form helped by higher salaries and anti-corruption enforcement.

Recommendations

For LPGC and Ministry of Transport

1. Decisions need to be made with regard to: the silos, the training centre and Port expansion. Ministry of Transport and LPGC need to draw up a timetable and action plan to make a decision on these three issues. Further delays will continue to limit efficiency of Port operations (and therefore trade) and will only get worse as time progresses. The consequences of Port expansion should be carefully considered with regard to the contract with LICT.
2. For LPGC, co-operation with LICT is needed to revise the tariff structure to better suit container handling. This should be facilitated through the joint steering committee with urgency.
3. As recommended in the original UNDP project documents a review of the legal framework (customs and import regulations, investment incentives) needs to be revived by LPGC with financial support from Ministry of Transport and SPC.
4. Technical capacity of the Port must be addressed starting with the upgrading of the Human Resources department followed by an organisational review to identify required structural changes, personnel re-organisation (this could be done without losing job positions), employee needs assessment and training (perhaps in conjunction with Lattakia University or the new training institute). Responsibility for hiring of workers needs to be centralised into the HR Department (rather than directly through senior management, which is unnecessarily time consuming).
5. The Lattakia Port General Company and the Tartous Port General Company are obliged, by law, to have the same tariff and tariff structure. It is called the unified tariff of the ports. The same applies to many other legislation such as the unified operations code and the organisational structure. Since the nature of cargo is different in each port, with Tartous handling mostly break bulk cargo and Lattakia handling mostly containerised cargo, separate codes may actually benefit both operations. We believe that giving each port company autonomy will produce rules and regulations that are better suited for both.

For UNDP

UNDP should keep the door open to requests from the Ministry of Transport and LPGC for assistance in outstanding areas (particularly with Port expansion, the review of legislation and the Maritime Training Centre). However, UNDP should be convinced LPGC are sufficiently committed before agreeing. A repeat of the previous scenario should be avoided.

UNDP could play a role in assisting LPGC to restructure the Human Resources department. HR restructuring is specialised and this should probably be outsourced. UNDP's role would be best suited to managing the tendering process and contracting. The tendering and contracting process would also be an opportunity for UNDP to build capacity in LPGC to ensure they are capable of carrying out such practices in future.

Significant assistance could be offered in helping to manage the Port expansion programme and a compromise between LPGC and UNDP should be reached on the cost of consultancy services. This is dependent on the competitiveness of a revised offer from UNDP and needs a final decision from LPGC and the Ministry of Transport.

Further assistance could be offered in reviewing the legal framework through establishing a group of local and international experts to work with stakeholders (particularly the Ministry of Finance and other involved Ministries and security departments). However this should only be done if these stakeholders can be brought on board at a senior level and momentum for such a programme built.

We suggest lessons learned from this project would be: i) exercise greater care in screening project requests from Government to ensure full commitment and ability to follow through on UNDP's assistance; ii) project documents do not adequately support changes to the programme of activities and it is unclear where projects have moved beyond the preparatory stage. Project management documentation should reflect changes, especially where objectives have changed or activities have moved beyond the preparatory stage.

Evaluation Summary

Category	Rating	Description
Impact	Medium/High	Technical capacity highly praised but unable to influence key areas of need, namely reviewing the legal framework and establishing the training facility. Although direct impact is yet to be fully felt (only in the container terminal), UNDP contributed significantly to establishing a clear vision for the Port and an implementation plan to realise this vision.
Relevance	Medium	Focus of outputs constrained by decisions of LPGC but assistance with contract handling for the container terminal privatisation highly praised. Had other outputs been allowed to progress all activities would have been highly relevant.
Efficiency	Medium	Where UNDP were able to contribute studies were conducted to a high standard and consultants widely praised. Lack of decision making by Government has prevented this investment from being efficiently capitalised on. However, project documents were not revised sufficiently to signify where projects had moved beyond the preparatory stage.
Effectiveness	Medium / High	Lack of follow through by the Government has limited effectiveness of preparatory assistance. Where UNDP has been engaged to follow through, particularly with managing the Container Terminal contract, their contribution has been high.
Sustainability	Medium	While blame can be put on Government for failing to make decisions and follow through on preparatory assistance, UNDP must look at how it responds to Government requests to determine level of commitment and ability to act on UNDP work. While improved there are still capacity issues in LPGC.
Overall	Medium/High	

Project Eight: 'Reviving the Business Climate and Boosting Tourism in Deir Ezzor' (2008-11)

<table>
<tr><td colspan="3">Title: 'Reviving the Business Climate and Boosting Tourism in Deir Ezzor' (2008-11)
Status: Ongoing</td></tr>
<tr><td>Implementing Agency
State Planning Commission
Responsible parties: SPC, UNDP, UNESCO, Deir Ezzor Governorate</td><td>Budget
Total Original Budget
Government
UNDP
UNESCO</td><td>
US$179,250
US$89,625
US$89,625
US$30,000 (in kind)</td></tr>
<tr><td colspan="3">Objective
To contribute to the socio-economic development in the North-Eastern Region by revivng the business life in the Old Souqs in Deir Ezzor, transforming them into a tourist and commercial hub.</td></tr>
<tr><td colspan="3">Outputs
1) Delivery of a study on reviving the business climate in Deir Ezzor through the restoration of the Old Souqs
2) Establishment of a resource centre to maintain the historical monuments and traditional handicrafts
3) Risk assessment of establishing a dam in Halabya / Zalabya and restoration of the lighting system of the old Suspension Bridge</td></tr>
<tr><td colspan="3">Beneficiaries
State Planning Commission, Ministry of Tourism, Deir Ezzor Chambers of Commerce.</td></tr>
<tr><td colspan="3">Substantive Revisions:
1) 4 June 2009: Budget revised upwards by $173,366 (funds from Syrian Government and Spanish Development Agency AECID) to merge together two projects, 'Reviving the business climate and boosting tourism in Deir Ezzor' and 'Support for business innovation and development centre in Deir Ezzor'. This latter project also included a component for 'Rehabilitation of Roman wells in Deir Ezzor'</td></tr>
</table>

Summary

The 'Reviving the Business Climate and Boosting Tourism in Deir Ezzor Programme' aims to promote business development and tourism through redevelopment of the Old Souqs in the centre of Deir Ezzor. These Souqs date back to Ottoman times, but have fallen into disrepair. The Old Souqs project aims to restore them physically, as well as returning them to the previous importance as a commercial hub in the city, as well as the region more widely.

UNDP has a number of interventions in the Deir Ezzor area. The Old Souqs project was merged in 2008 with the Business Innovation and Development Centre, and is managed through that project. However, only the Old Souqs project falls under the scope of this evaluation.

The desired outputs of the Old Souqs Project are: (1) Reviving the business climate in Deir Ezzor through the restoration of the Old Souqs, (2) Establishment of a training and resource centre to maintain the historical monuments and traditional handicrafts, and (3) Risk assessment of establishing a dam in Halabya / Zalabya and restoration of the lighting system of the old Suspension Bridge.

The project began work in 2008. Thus far output three has been completed, output one is in process, and output two will be completed when premises become available to house the resource and training centre.

Inputs and Outputs

Inputs to this project are an overall budget of $179,250 and over the course of the project a team of two (national project director and finance & admin staff member), complemented by consultants to complete various technical aspects of the work, such as the studies of the Old Souqs, lighting and maintenance of the suspension bridge, and the maintenance of the archaeological sites Halabya and Zalabya. International consultants from UNESCO were involved in delivery of the studies, as were private sector actors such as Emaar.

The following section outlines the inputs for each set of activities and shows how they resulted in outputs.

The first set of activities revolved around the restoration of the Old Souqs in Deir Ezzor, including the old Ottoman Gate, which was the entrance to them. These Souqs are of historical, archaeological and commercial importance for the city but have come into disrepair. The UNDP project aimed to spur their renovation as a catalyst to the commercial redevelopment of the area, with a particular aim to foster tourism in the city and the wider Deir Ezzor area, which is home to a large number of sites of historical importance.

The Old Souqs Project proceeded by producing a study on the renovation of the Old Souqs, using consultants from UNESCO, the UN's cultural preservation agency. Working with Emaar, the Syrian construction company, they produced a computer model to show how the finished article would look in picture form. (The partnership with Emaar came about through UNDP's Global Compact Project, and represents an excellent example of Global Compact at its best—engaging private companies in development projects using their core business and areas of expertise.) UNDP also took the lead in implementation by completing a pilot restoration of eight shop-fronts and the Ottoman Gate.

This work created the momentum and vision which in turn prompted the Deir Ezzor City Council and Chambers of Commerce to take the work forward. Since the pilot, these partners restored another 59 shop-fronts, as well as the paving, ceiling and lighting for one axis of the Souqs. The Deir Ezzor Chambers of Commerce are now planning to restore the area between the Souqs and the riverfront (behind the Ottoman Gate, which contains old Ottoman stables and an army barracks. This will create a tourist and leisure hub with tourist shops, cafes and restaurants. The shops in the Souq are also being encouraged to open for longer hours and to sell goods oriented more towards the city's residents and tourists. Currently they tend to be oriented towards the farming community outside the city, which is neglecting other potential sources of custom. This will then lead to a mutually-supportive boost for tourism and the local business climate.

UNDP's role as a catalyst in this project is an example of UNDP on its best day, playing to its strengths. The Old Souqs work to date represents a significant achievement, and speaks particularly well of UNDP's partnership strategy.

The second set of activities is to establish a training and resource centre to maintain the historical monuments and traditional handicrafts in Deir Ezzor. Work on this centre has yet to begin, but the centre is planned to be located in the area between the Old Souqs and the riverfront, which will be renovated by the Chambers of Commerce. It is hoped that the restoration work undertaken so far will have increased the skills of local workers in maintaining historical monuments in general, and the Souqs in particular. Nevertheless, this activity cannot be said to have been completed so far.

The third set of activities revolved around two studies. One to assess the risk to the important historical sites of Halabya and Zalabya north of Deir Ezzor on the Euphrates of a dam being built in order to provide more water resources for local farmers. The second was a study with technical advice on the restoration of the lighting system on Deir Ezzor's pedestrian Suspension Bridge.

The Halabya / Zalabya study was completed by UNESCO consultants, and suggested that the dam could be built and the historical sites preserved by the creation of a protective wall around them, which would protect them from the higher water level. While the study was well-received by the Government, it is of concern to the evaluation team that the changed landscape will significantly detract from the authenticity of such important cultural heritage and that the dam will go ahead, despite evidence that dams do not have a significant impact on improving development outcomes such as poverty alleviation.

The study on the Suspension Bridge was also completed by UNESCO consultants, and produced a blueprint for the restoration. The City Council did not follow the recommendations exactly, but UNDP's role in pushing for the restoration was influential and the lighting system was indeed restored. The bridge is now a popular tourist site, and has contributed to increasing popularity of Deir Ezzor for visitors.

In 2008 the Old Souqs Project was merged with and formally brought under the umbrella of another UNDP project: 'Support for the Business Innovation and Development Centre (BIDC) in Deir Ezzor'.

Issues

This project is on course to achieving many of its objectives, though it is subject to some delay. While the team has identified issues with the project, these should not detract from this achievement, but simply help reinforce it.

1. **Prioritising Behavioural Change**: Restoration of the Old Souqs has spurred other actors to support the work financially and with skills (eg, Emaar's involvement in the architectural design). However, change in the behaviour of shopkeepers in the Souqs has not occurred. They still cater largely to the rural farming community rather than city residents and tourists. Moreover, their opening hours are very restricted, with many shops having closed by 2pm on most days. This is reinforced by the perception of Deir Ezzor as a rural rather than an urban centre, a perception which must be changed through elaboration of a strategic vision (discussed in 'recommendations' below). This could act as a catalyst for change among shopkeepers and businesses in the city. Recognising this issue, UNDP has worked closely with the Deir Ezzor Chambers of Commerce to try to change the mindset of the shopkeepers.

   In general, we believe that investments in capital upgrades should be accompanied by concurrent changes in practice and the Chambers of Commerce has a role to play in changing this mindset. If the project is to be a true success then this must be addressed, working directly with shopkeepers to upgrade their shops. The planned handicrafts centre should address this issue. However, its implementation is being held up as the Chambers of Commerce waits for Government approval for its plans to renovate the area between the Souqs and the riverfront, where the centre is planned to be.

2. **Link between Tourism and Business Climate**: Tourism has proved to be an important factor in Syria's economic growth over the past ten years, and has led to the redevelopment of areas such as the Old City of Damascus and coastal resorts. The Old Souqs Project continues this logic. However, more work needs to be done to

make this link explicit. The restoration and redevelopment of the area between the Old Souqs and the riverfront, to be carried out by the Chambers of Commerce is a good example of this in practice, providing an integrated space for tourists, local people and businesses to visit and use. UNDP's role as a catalyst in this area is acknowledged, but more could be done to promote tourism in the area. For example, shops in the souqs could be encouraged to cater to tourists, and more care should be taken with the preservation of the ruins at Halabya and Zalabya, which, along with the ruins at Mari and Dura Europos, are important factors in attracting tourists to the area.

3. **Coordination**: In many respects the Old Souqs project has played an important role in persuading the authorities of the case for redevelopment of the Old Souqs area. We recognise the significance of this work. However, in some cases, a lack of coordination has meant that opportunities have been missed, or work has had to be repeated. For example, the handicrafts training centre cannot be completed until approval is granted by the City Council, which puts at risk the possibility of effecting real change in the behaviour of the shopkeepers. In addition, some work on the restoration of the Ottoman Gate will have to be redone, as the paved area in front of it has been torn up as a result of infrastructure upgrades done in the area. Forward planning and coordination may have prevented this from occurring.

Recommendations

Government

The Government's priority for Deir Ezzor should be to elaborate a strategic vision and action plan to transform it from a rural to an industrial, business-friendly urban centre. Recognising different local priorities and conditions, this could be an opportunity for Government to explore formulating an economic development strategy at Governorate level, led by Deir Ezzor Governorate with MoET, Deputy Prime Ministry (and others). Deir Ezzor is ideally located for trade with Iraq, has the potential to be a key tourist location and local policies and resources should be tapping into these areas. This could be run as a pilot project and, if successful, extended to other Governorates (devolution of some levels of economic development planning is common place globally).

Deir Ezzor's business community is keen to be involved in the development of the Eastern Region. It is important for the Government to harness this enthusiasm and to allow these actors the space to implement their ideas, as well as provide firm political support. At the same time, a number of problems in Deir Ezzor and the region are beyond the ability of the private sector to fix, especially infrastructure, such as roads, electricity and water supplies. By upgrading these areas the Government would make a significant contribution to development of the Eastern Region while at the same time providing valuable infrastructure for business to grow and flourish, providing income and jobs for local people.

UNDP

The Old Souqs Project is an excellent example of UNDP playing to its strengths: influencing Government and bringing on board multiple stakeholders. As a general recommendation for UNDP, we believe that UNDP should try to play this role more widely in all its interventions.

UNDP's continued involvement in this project should be to move away from the physical upgrades of the Souqs and to work with shopkeepers and other local businesses on catering to tourists. It is essential for the establishment of the resource centre for monuments and handicrafts (as stipulated in Output Two, see table above), to occur as soon as possible, as it will help with the process of transforming Deir Ezzor into a dynamic urban and tourist centre. This would help link overall economic development with tourism more tightly. The BIDC and Vocational Training Centre could be used effectively in this capacity, in addition to their existing responsibilities.

If the Government is keen on adopting a local economic development strategy for Deir Ezzor UNDP would be ideally placed to offer technical capacity and project management capabilities.

Evaluation Summary

Category	Rating	Description
Impact	Medium	The renovation of the Old Souqs positively impacted on the development of Deir Ezzor. However, work needs to be done to match this by a change in mindset towards business, tourism, and economic development more generally.
Relevance	Medium / High	Tourism is an important driver of economic growth in Syria, and this project seeks to extend it to Deir Ezzor more widely.
Efficiency	High	Using a relatively small resource base, UNDP has been able to bring partners with extra funding to further the aims of the project, which represents an efficient use of resources.
Effectiveness	Medium	Overall effectiveness is difficult to assess at this stage, since all the outputs have not been achieved, in particular, the output most likely to produce effective change, establishment of the training and resource centre.
Sustainability	Medium	Sustainable will be assisted by establishment of the resource and training centre and the other business development institutions run by UNDP, which will provide ongoing support to development of the Old Souqs.
Overall	Medium / High	

Project Nine: 'Support to the Agropolis Project' (2007 – 2011)

Title: 'Support to the Agropolis Project' (2007-2008) and subsequently 'Al-Ghab Development Programme' (2008 – 2011) **Status:** On-going		
Implementing Partners General Commission for Management and Development of Al-Ghab SPC Ministry of Agriculture (with FAO) UNIDO	**Budget** **Total** Government UNDP FAO Donor (Italy)	 **US$ 1.8 m** US$ 0.7 m US$ 0.1 m US$ 0.4 m US$ 0.6 m
Objective The first phase 'Support to the Agropolis Project' is to develop a pilot project to establish an Agro-Industrial Special Economic Zone (Agropolis) in the Al-Ghab plain in north-west Syria aimed at attracting international private investment through an adequate fiscal framework and high quality infrastructure and technology foundation. The second phase 'Al-Ghab Development Programme' is to develop an operational strategy, policy and regulatory framework, investment profiles and necessary support structures to implement the Al-Ghab Development Programme.		
Outputs Phase One 1. Socio-economic and environmental feasibility study conducted 2. Legal Framework for governing the SEZ in place 3. Assessment of the impact of the free zone on local farmers communities 4. Project Documents with related work plans and ToRs in place Phase Two 5. Operational Strategy (to direct the following areas) 6. Policy and regulatory framework 7. Investment profiles and an integrated development programme to guide public and private investment 8. Technical assistance programme 9. Institutional arrangements for implementation 10. Communication, awareness creation (meetings, an international conference)		
Beneficiaries 1. Employment Opportunities for local people in agriculture, tourism and related support businesses 2. Increased revenues for local farmers		
Substantive Revisions: Moved from pilot to full project in 2008		

Summary

The original project (referred to within the programme as the 'Agropolis' project) was to establish a Special Economic Zone focused on Agro-Industry (with some related tourism activities) in the Al-Ghab plain in north-west Syria. The aim of Agropolis was to attract international and domestic investment in Agro-Industry through the setting up of an adequate fiscal framework with a high quality infrastructure and technology foundation.

The intended beneficiaries were local people and farmers who it is hoped will benefit from increased job opportunities and raised incomes.

During discussions held between the Government of Syria, UNDP and FAO in 2007 it was decided the Agropolis project was to be considered as one component of a broader programme of aims for the Al-Ghab area. A scoping mission conducted by UNDP/FAO/UNIDO in December 2007 formed a vision for the development of the region and presented to the Prime Minister who accepted suggested revisions to the project.

A strategy and road map for formulation of a larger project, the ‘Al-Ghab Development Programme’ was developed and finalised in October 2009. A consensus was reached between partners that Al-Ghab should revolve around five development pillars: agriculture, agri-food, tourism, housing and the environment.

The first phase of the project ‘Agropolis’ began in 2007 and was completed in 2008. The second phase, ‘Al-Ghab Development Programme’ began in 2009 and is intended to last for 15-months (2011). The outputs will be to produce studies in five areas (agriculture, agri-food, environment, housing and tourism) and an overall implementation plan. The cost is estimated at $1.8m.

Inputs and Outputs

The first phase of the project ‘Agropolis’ was to provide preparatory assistance with a team of consultants from UNDP, UNIDO and FAO, and a budget of $100,000. Planned activities revolved around two field trips from which the following outputs were planned:

1. Socio-economic and environmental feasibility study
2. Legal Framework for governing the SEZ
3. Assessment of the impact of the free zone on local farmers communities
4. Project Documents with related work plans and ToRs

During subsequent discussions between the Government and UNDP/FAO/UNIDO in 2007 it became clear the Agropolis project was just one component of a broader programme of aims for the Al-Ghab region. A scoping mission carried out by UNDP/FAO/UNIDO in December 2007 produced a vision and road map for the development of the region, which were presented to the Prime Minister. This was officially approved by the Steering Committee for the Al-Ghab, the President’s Office and UN. This has since been refined and finalised in October 2009.

The vision and road map widened the programme to be based on five key pillars. These are (with the responsible organisation):

1. Agriculture (FOA)
2. Agro-Industry (UNIDO)
3. Environment (UNDP)
4. Housing (UNDP)
5. Tourism (UNDP)

Due to upgrading the project from Agropolis to a full Development Programme, establishing the legal status has resulted in some delays. However the institutional framework has now been established and two main bodies will be in charge.

(1) The Al Ghab Project Board chaired by the Deputy Minister of Agriculture is tasked with providing the Ministry of Agriculture with the strategic orientation for implementation and for gaining endorsement from the Economic Committee.

(2) The General Commission for Management and Development of Al-Ghab (GCMD) is the implementing partner for the project and reports to the Project Board.

The Chief Technical Advisor and National Project Director answer to both the Project Board and GCMD. Project teams for each of the five pillars report to the National Project Director.

Due to the diversity of sectors it is likely additional partners will be engaged as the project develops.

The intended outputs of the full project will be to produce five plans for each of the above pillars. A Chief Technical Advisor will be responsible for amalgamating all five projects into one implementation plan. The increased scope of the project has also necessitated a budget increase to $1.8m. The Government of Syria is to contribute $0.7m, UNDP $0.15m, FAO $0.48m and the Italian Government as a donor $0.6m. This budget pays for completion of the consultancy element of the project but does not provide for implementation.

The Development Programme began in November 2009 and is expected to last for 15-months (2011). As of April 2010 two main outputs have been achieved.

1) The Project Document titled 'Al-Ghab Development Programme SYR/010/002, prepared by UNDP, which outlines the background to Al-Ghab, the rationale and scope of project, the project framework, partners and their roles and management arrangements. The document also includes a joint programme framework, description of activities and outputs and full terms of references for recruiting project bodies, team leaders and experts

2) The Project titled 'Formulation of an Operational Agriculture and Food Security Strategy for Al-Ghab in the Framework of the 'Al-Ghab's Special Economic Zone Development Programme—Agropolis'

Both documents are well developed, comprehensive and provide clarity and direction on the objectives of the programme, the roles and responsibilities of stakeholders, expected outputs and implementation of activities.

Due to the long gestation period of this project (original discussions around this project area began in the early 2000s) some 'quick wins' will be undertaken to benefit local farmers and to improve support for the project.

Issues and Recommendations

We are pleased to note that in the Project Document under Annex 1 'Description of Project Activities and Results' activity eight will focus on 'Institutional and human development needs assessment'. In line with our general recommendation regarding building technical capacity (see Part V Theme One of this report) we strongly urge considerable emphasis is placed on upgrading the long-term institutions involved in the project, particularly the local administration. We suggest they should be empowered to a level where they can carry out their own needs-assessments and capacity building activities.

A clear commitment, in terms of resources and willingness, should be made by the Government and project partners to support and strengthen the long-term institutions for a sustainable outcome to this programme.

Evaluation Summary

Category	Rating	Description
Impact	High	Ensured wider benefits of the project were realised early and put the right structures in place to complement the larger project
Relevance	High	High potential region suffering from low investment and development. Should have a long-term impact on agriculture in other parts of the country
Efficiency	Medium/High	Some delays in re-structuring the institutional framework but otherwise work carried out well and full project documents show advanced planning
Effectiveness	High	Effectively leveraged involvement of other partners (UNIDO, FAO, etc.) into a multi-dimensional project
Sustainability	Medium/High	Sustainability of project considered in project documents and specific output included to upgrade ‘Institutional and human development’. More detailed planning and scenario building to identify key actors and roles in 10 years time would help keep an outcome based focus.
Overall	Medium/High	

List of Annexes

1) Annex A – Methodology

Evidence Base

The evidence was collated based on the following methodological principles:

- Identify executing agency and Government cooperating agency directly responsible for projects (nominated by SPC)
- identify partners (and partners' strategy)
- examine factors affecting the outcome
- assess the role of partners (in each project), their outlook, vision and strategies and extent to which they are in harmony with UNDP strategies (synergies).
- extent of participation of implementing parties and quality of participation
- benefits and perception of benefits of end users
- identifying reasons for success and reasons for shortcoming

Each project was examined separately to assess:

- the relevance/feasibility of the set indicators
- the need the project is trying to address
- the beneficiaries
- the operating environment around the project
- the policy environment affecting outcome
- project results against project objectives: the extent to which expected output and output indicators have been achieved
- factors relating to politics, society and culture and their effect on implementation and outcome
- extent to which results contribute to change in development conditions
- extent of partners commitment and contribution to the set objectives
- extent of other UN agencies and other donors, contribution to the projects (financial and human recourses) and its set objectives.
- identify resource contribution by other partners
- in case cash and in-kind contribution have been transferred in time to implementing agencies and parties
- if sufficient resources (cash and in kind) were available for implementation
- synergies and overlaps with other partners
- the role of SPC as an interlocutor in the project
- extent to which pre-identified risks were relevant and were mitigated
- extent to which new risks have emerged
- extent to which change in plans and strategies have taken place during implementation

Questions used to establish findings:

- Evidence of change in outcome (effect of outputs on outcomes) will respond to questions such as:

  - has the business environment been improved
  - has the legal framework been reformed
  - has the cost of doing business been reduced
  - have transparency and Port handling been improved
  - has SME's and entrepreneurial spirit been enhanced
  - has human capital been upgraded
  - have institutional capacities been strengthened

- has transit trade been increased
- has the private and public sector's competitiveness been improved
- has business started to introduce R&D and upgraded technology. Have business units been having better access to finance
- has UNDP contributed (through these projects) to enhancing cooperation between Government and Civil society private sector and/or to public private partnership in the formulation, implementation, and monitoring of projects

- Identify contributing factors to the outcome (positive and negative factors affecting outcomes)
- UNDP's contribution to outcomes
- Other partners contribution to outcomes
- UNDP partnership strategy for changing the outcome
- Other factors affecting UNDP's contribution to outcomes
- Effectiveness of the partnership in achieving outcomes (has UNDP partnership strategy been successful)
- Recommendations for ongoing and future UNDP programs

As an outcome evaluation this report begins with the outcome and works backwards, casting a wide net over everything that has occurred within the project realm and beyond. The core of the evaluation is the analysis of factors that have influenced outcomes. These have been identified through:

1. Collection of data from existing sources plus our own data gathering and interviewing
2. Analysing the major contributing factors (endogenous and exogenous) that have driven change
3. Examining local sources of knowledge and theorising about the dynamics between the contributing factor and the outcome
4. Resolving whether UNDP had the intended overall effect on the outcome

2) Annex B – Definitions of Terms

Definition of Outcome A.2: Improving structures and climate for enhancing trade, investment and competitiveness

The following definitions of key words from Outcome A.2 are used to inform understanding of the outcome. Definitions are as follows:

By **structures** we understand those across all levels of society including formal legal frameworks (eg, investment laws, trade laws, trade agreements), capacities of legislative institutions and inter-relations (eg, Government Ministries, agencies, directorates), international and non-Governmental institutions (eg, United Nations programmes, European Commission, NGOs), and networks (chambers of commerce, business interest groups).

Physical infrastructure such as port facilities, airports, roads, rail and information systems also contribute to structures facilitating investment, trade and competitiveness.

By **climate** we understand this as a broad term that may refer to economic conditions (stable exchange rates, contract enforcement, confidence in investors and lenders), social conditions (civic coherence), political conditions (country stability, relations with other countries, ability to respond to needs of citizens) and environmental conditions (use of natural resources, sustainability of resources and environment, quality of life).

By **trade** we understand this as the ability of people to undertake economic transactions with other people domestically or from other countries (measured by the volume of imports and exports).

By **investment** we understand this as the amount of money put to work through direct spending (buildings, machinery, human resources, etc.) or indirect spending (Government bonds, securities, etc.) with the hope of making even more money. Both domestic investment and foreign direct investment are assessed (by type of investment) and proportion of GDP spent by the Government.

By **competitiveness** we understand this at company level to refer to the ability of a company to beat rivals in certain areas to take market share. One company's gain is another's loss. At country level competitiveness makes less sense. When two countries trade they should (by comparative advantage theory) both win as trade is not a zero-sum game.

However, there are also measures covering assessments of productivity (investment in technology, human skills), growth, and ease of doing business (eg, ability to open a business or access finance) that are supposed to provide an objective indication of a country's 'competitiveness'.

Outcome A.2 is derived from CPAP component one, **'Poverty Reduction and Economic Growth'**[21] and is aligned with the broader United Nations Development

[21] The other three outcomes are as follows: Outcome A1 - Strengthening and better targeting social protection; Outcome A3 - Improving employment environment and opportunities for skill-enhancement for the under-and

Assistance Framework (UNDAF, 2007-2011) priority area **'Faster economic growth, with social protection and sustainable livelihoods'**.

By **poverty reduction** we understand in both absolute terms (as measured by the proportion of families living on less than $2/day) and relative terms (proportion of families living on incomes less than 60% of a country's median income.

By **economic growth** typically refers to change in the productivity capacity of the economy and therefore to national income. If the aim of growth is to improve standards of living we measure growth according to GDP per capita purchasing power parity (minus inflation) and take into account inequality between incomes.

By **social protection** we understand policies and programs designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, enhancing their capacity to protect themselves against hazards and interruption / loss of income.

By **sustainable livelihoods** we understand a livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, without undermining the natural resource base.

unemployed, especially women and youth; Outcome A4 - Enhancing poverty alleviation programme including income generation, and improving access to extension services in rural and poor areas

Annex C – List of Meetings

Contacts	Name	Position
UNDP		
Business for Development Team	Ms Zena Ali Ahmad	Deputy Resident Representative
	Ms Faten Tibi	Business for Development Team Leader
	Ms Huda Khattab	Operation Analyst
	Ms Rawad Al- Sayad	Programme Associate
Enhancing the investment environment		
	Dr Azdachir Afsaa	National Project Director (UNDP) + assisted in preparation of industrial policy paper
	Dr Ahmed Abdul Aziz	Director of Syrian Investment Agency
Trade reform policies and pre-accession to WTO		
	Dr Nuhad Dimashkiyyah	Senior Expert in Trade and Industry Policies/Trade Policy Reform and WTO Accession Phase 1
	Tammam Sbeih	Economist, Competitiveness Team Member (check)
	Ms Salma Sayad	Head of Directorate of WTO (MoET)
Changing the mindset toward competitiveness		
	Emad Zaza	Member of Economic Committee in Deputy PM's Office
	Wael Ahmed	Head of Competitiveness in Ministry of Economy
	Nadia Khiami	Project Leader (SEBC)
	Tamer Abadi	Task Manager (SEBC)
	Rawad El-Sayad	UNDP
	Basil Hamwi	Vice Chair, Chambers of Industry
Support to the industrial development strategy		
	Nadia Okar	Team Leader
	Rim Helali	Head of Planning Dpt (ministry of industry)
	Fouad Al-Lahham	Former Deputy Minster of Industry and Project Director, UNIDO I'M UP
	Ziad Aarbash	Project Team Member
Global Compact		
	Muhammed Agha	Global Compact Team Leader
	Anas al-Khani	Corporate Affairs Director, MTN

Contacts	Name	Position
Modernisation of the Customs Directorate		
	Ihab Wataar	Project Director
	Khaled Ossman	Head of IT Customs Directorate
	Maurizio Zincone	EC Customs expert (Trade Enhancement Programme)
	Raouf Benzerti	ASYCUDA expert
Modernisation of Lattakia Port		
	Faten Tibi	Project Director
	Suleiman Baloush (Port Directorate)	Port Directorate
	Osama Machich	Deputy Director and head of port planning
	Noaman Sari	Holding of the contract with CMA
	Asad Haroun	Former Head of Lattakia Port
Boosting Business and Tourism in Deir Ezzor		
	Mr Hussain Arnous	Governor of Deir Ezzor
	Mr Bassam Rajab	National Director of the Project
	Mr Weiss Ali	Head of the Vocational Training Centre
	Mr Ali Kayali	Expert of Water Resources
Establishment of a Special Economic Zone (Agropolis Project)		
	Ms Faten Tibi	Programme Manager

Annex D – List of Documents

Title	Author	Publisher	Project	Date	Received	Language
Project One: Enhance the Investment Environment						
Report on the ANIMA Short-Term Technical Assistance Mission: Building the New Syrian Investment Agency (SIA)	Bénédict de Saint-Laurent (Invest in France - ANIMA)	ANIMA (Euromed Network of Investment Promotion Agencies)	Investment	May-07	Jan-10	English
FOREIGN DIRECT INVESTMENT REPORT		ESCWA	Investment	Jul-05	Jan-10	English
Tunisia Share Performances		Tunisia Foreign Investment Promotion Agency	Investment	Jul-05	Feb-10	English
Foreign Direct Investment towards Med countries in 2008: Facing the Crisis	Samir Abdelkrim, Pierre Henry	ANIMA Investment Network	Investment	Mar-09	Feb-10	English
Third Annual Investment Report For The Year 2008		Syrian Investment Agency	Investment	Jun-05	Feb-10	English
Letter of Agreement for establishment of Export Assistance Programme in Syria from UNCTAD			Investment			English
List of Achievements from Investment Project	Project Team	UNDP	Investment		Feb-10	English
Third Investment Report for Syria: 2008		Syrian Investment Agency	Investment	Jun-05		Arabic
Organisational Chart for the Syrian Investment Agency	Project Team	UNDP	Investment		Mar-10	English
Project Two: Towards Changing the Competitiveness Mindset						
The First National Competitiveness Report of the Syrian Economy, 2007	Dr Nuhad Dimashkiyyah, Muhammad Imad Zaza, Tammam Sbeih	UNDP	Competitiveness	Jun-05	Jan-10	English & Arabic
The Global Competitiveness Report 2009-2010		World Economic Forum	Competitiveness	Jul-05	Jan-10	English
Syria Profile from the Arab Competitiveness Report		World Economic Forum	Competitiveness		Jan-10	English
National Competitiveness Observatory Action Plan for 2009		SEBC / NCO	Competitiveness	Jun-05		English
Project Three: Trade Policy Reform and WTO Accession						
Understanding the WTO		World Trade Organisation	WTO	Feb-07	Jan-10	English
Accession to the WTO: Procedures, Issues and Lessons for Syria from Recent Experiences	Don McClatchy	FAO	WTO	Dec-04	Jan-10	English
Project Four: Preparatory Assistance to Support Industrial Development						

Title	Author	Publisher	Project	Date	Received	Language
Strategy						
The Decline of Syrian Industry: An Assessment of Performance and Capabilities During the 1990s (University of Oxford, QEH Working Paper 119)	Manuel Albaladejo, Sanjaya Lall	University of Oxford	Industry	Jul-04	Feb-10	English
Project Five: Global Compact						
Operational Guide for Medium Sized Enterprises	Global Compact	UN Global Compact	Global Compact	June 2007	March-10	English
Project Six: Modernisation of the Customs Directorate						
Changes in Cross-Border Trade Costs in the Pan-Arab Free Trade Area, 2001–2008 (World Bank working paper 5031)	Bernard Hoekman, Jamel Zarrouk	World Bank	Customs	Aug-09	Mar-10	English
Aid for Trade Facilitation (World Bank working paper 5064)	Matthias Helble, Catherine Mann, John S. Wilson	World Bank	Customs	Sep-09	Mar-10	English
Project Seven: Assistance for Modernisation of Syrian Maritime—Lattakia Port						
Draft Outline of Activities for preparing Port Expansion in Lattakia	Inros Lackner AG	UNDP	Ports		Mar-10	English
Lattakia Port Construction and Development Concept (2010-2015)	UNDP	UNDP	Ports	Nov-06	Mar-10	English
Lattakia Port Container Terminal Contract (CMA/CMG)	LPGC/UNDP		Ports	Jul-09	Mar-10	English
Project Eight: Reviving the Business Climate and Boosting Tourism in Deir Ezzor						
Business Innovation and Development Centre Deir Ezzor, overview presentation		UNDP Project Team	Deir Ezzor	Jan-10	Apr-10	English
Lighting the Suspension Bridge in Deir Ezzor	Jacques Montluçon (Consultant for UNESCO) Marcel Chamoun, Philippe Lecoustumer (CITELUM)	UNESCO & CITELUM	Deir Ezzor	Jun-08	Apr-10	English & Arabic
Report on a UNESCO Mission to Deir Ezzor for the Restoration of the Old Souk and the Saray Structure	David Michelmore	UNESCO & UNDP	Deir Ezzor	Jul-08	Apr-10	English
Report of the UNESCO Pierre Lorich Delegation to the Halabiyya Zalabiyyah archaeological site	Pierre Lorich (National Centre for Scientific	UNESCO	Deir Ezzor	Jul-08	Apr-10	Arabic

Title	Author	Publisher	Project	Date	Received	Language
	Research)					
Project Formulation Document: Rehabilitation of Roman Wells in North-Eastern Region		UNDP	Deir Ezzor		Apr-10	English
Substantive Revision Concept Note: Business Innovation and Development Centre in Raqqa		UNDP	Deir Ezzor		Apr-10	English
Project Document: Support for Business Innovation and Development Centre in Deir Ezzor		UNDP	Deir Ezzor		Apr-10	English
Technical specifications of the ancient Roman wells in Deir Ezzor 2009-2010		UNDP	Deir Ezzor		Apr-10	English
Project of Establishing Vocational Training Centre in Deir Ezzor: Interim Mission Report (1)	UNRWA Damascus Training Designated Staff	UNRWA & UNDP	Deir Ezzor		Apr-10	English & Arabic
Project Nine: Agropolis						
Al Ghab Development Programme SYR/010/002	UNDP	UNDP	Agropolis Project	Jul-05	Feb-10	English
Formulation of an Operational Agriculture and Food Security Strategy and Policy for Al-Ghab in the Framework of the 'Al-Ghab's Special Economic Zone Development Programme - Agropolis'	UNDP/FAO	NA	Agropolis Project	Nov-09	Feb-10	English
General						
Draft Country Programme Document for the Syrian Arab Republic		UNDP	General		Jan-10	English
Note on Lessons Learned from CPAP Mid-Term Review 2008/2009		UNDP Cambodia	General	Nov-08	Feb-10	English
Syria UN Development Assistance Framework 2007-2011		UN Syria	General	Jun-05	Jan-10	English
Strategy & National Environmental Action Plan For The Syrian Arab Republic		UNDP, World Bank, Ministry of Environment	General	Jun-05	Jan-10	English
Second National Report on the Millennium Development Goals (MDGs) in the Syrian Arab Republic 2005		UN Syria	General	Jun-05	Jan-10	English
POVERTY IN SYRIA (1996-2004): DIAGNOSIS AND PRO-POOR POLICY CONSIDERATIONS	Heba El Laithy, Khalid Abu Ismail	UNDP	General	Jun-05	Jan-10	English
SYRIAN ARAB REPUBLIC: COMMON COUNTRY ASSESSMENT 2005	United Nations Country Team in Syria	UN Syria	General	Jun-05	Jan-10	English
Syria Country Programme Action Plan 2007-2011		UNDP	General	Jun-08	Jan-10	English
Syria Country Evaluation Assessment of Development Results	Leif Ole Manger, Camillia Fawzi El-Solh,	UNDP	General	Jun-05	Jan-10	English

Title	Author	Publisher	Project	Date	Received	Language
	Warka Barmada, Khaled Ehsan					
Central Bank of Syria Monetary and Banking Statistics		Central Bank of Syria	General	Sep-09	Jan-10	English & Arabic
World Economic Outlook (October 2009)		IMF	General	Oct-09	Jan-10	English
EIU Country Report: Syria		Economist Intelligence Unit	General	Jan-10	Mar-10	English
Beyond Planning: Markets and Networks for Better Aid (Centre for Global Development Working Paper 185)	Owen Barder	Centre for Global Development	General	Oct-09	Mar-10	English
Paris Declaration on Aid Effectiveness	UN	UN	General	Jun-05	Feb-10	English
EIU Country Profile 2008: Syria		Economist Intelligence Unit	General	Jun-05		English

Annex E – Ten Principles of Global Compact

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Global Compact Network Syria:

1. Shell Syria
2. Gulfsands Petroleum
3. Ganama Group
4. Bank Audi
5. Bank Byblos
6. Bank BEMO Saudi Fransi
7. Emaar
8. Alfares Pharmaceutical Industries
9. United Group
10. Daaboul Industrial Group
11. Challah Enterprises
12. AlFadel Group
13. MAS Economic Group
14. MTN
15. Syriatel
16. Haykal Group
17. Bushra Group
18. Bayan Group
19. Amara
20. Rawasi Holding
21. Rayess Trading
22. SCB
23. Sama Group
24. TAG
25. UoK
26. Y2Ad
27. Aleppo Chamber of Commerce
28. Damascus Chamber of Commerce
29. Deir Ezzor Chamber of Commerce
30. Syria Federation of Chambers of Commerce
31. Syria Federation of Chambers of Industry
32. JCI
33. Basma
34. Bidaya
35. Syria Business Council
36. SYEA
37. SEBC
38. SIA (Syrian International Academy for Training and Development)

Annex F – The Extractive Industries Transparency Initiative (EITI)

EITI is a global standard that promotes revenue transparency in extractive industries, such oil, gas and minerals. It provides a standard that companies and countries should adhere to, and a secretariat that independently monitors compliance. The focus is on ensuring that both companies and countries, the potential payers and recipients of bribes, are transparent in disclosing the relevant financial data in order to ensure that the space for corruption is eliminated.

Membership of EITI is at the country level. Countries must submit a workplan detailing how they will comply with EITI standards over a period of 2 years. During the next two years, the country must work towards compliance with these standards, ensuring that all relevant companies doing business in the country must take part, ensuring proper auditing standards and fully disclosing all payments between Government and the resources companies. This work is overseen by an independent administrator and a multi-stakeholder group. This process takes two years, during which the country is designated an EITI Candidate.

The results of this work are then submitted to an independent validation exercise, performed by an independent validator appointed by the multi-stakeholder group. If the country passes this evaluation then it is considered to be EITI Compliant. If not, the country can either apply for an extended period to achieve compliance, in the case of some unforeseen difficulties, or if no meaningful progress has been made towards the goal, the EITI board revokes the candidate country's status.

The success of the EITI has been good. 46 of the world's largest oil, gas and mining companies actively support the initiative through their country operations. Only two countries are currently compliant, but 30 countries have achieved candidate status.

End of Report