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Independent Evaluation
SYRIAN ARAB REPUBLIC

**UNIDO Integrated Programme
Made in Syria**



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO EVALUATION GROUP

Independent Evaluation
SYRIAN ARAB REPUBLIC

UNIDO Integrated Programme
Made in Syria



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
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Abbreviations and acronyms

BDS	Business Development Services
Col	Chamber of Industry
CSR	Corporate Social Responsibility
CTA	Chief Technical Adviser
CTDC	Clothing & Textile Development Centre
DITI	Damascus Institute for Textile Industry
EU	European Union
FYP	Five-Year-Plan
GDP	Gross Domestic Product
HQ	Headquarters
HRD	Human Resources Development
HRM	Human Resources Management
I'MUP	Industrial Modernization and Upgrading Programme
IP	Integrated Programme
JICA	Japanese International Cooperation Agency
M&E	Monitoring and Evaluation
Mol	Ministry of Industry
NTC	National Technical Coordinator
OSL/EVA	Bureau for Organizational Strategy and Learning/Evaluation Group
SASMO	Syrian Arab Standards and Measures Organization
SC	Steering Committee

SEBC	Syrian Enterprise Business Centre
SMCA	Syrian Management Consultants Association
SME	Small and Medium Enterprise
SPC	State Planning Commission
STA	Senior Technical Advisor
TOR	Terms of Reference
UMU	Upgrading and Modernization Unit
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization

Glossary of evaluation related terms

Term	Definition¹
Baseline	The situation, prior to an intervention, against which progress can be assured
Effect	Intended or unintended change due directly or indirectly to an intervention
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results
Impacts	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended
Indicator	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor
Intervention	An external action to assist a national effort to achieve specific development goals
Lessons learned	Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact
Logframe (logical framework)	Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention. Related term: results based management
Outcome	The likely or achieved short-term and medium-term effects of an intervention's outputs. Related terms: result, outputs, impacts, effect

¹ Based on a glossary prepared by OECD's DAC working party aid evaluation, May 2002

Output	The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies. Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.
Sustainability	<p>The continuation of benefits from a development intervention after major development assistance has been completed.</p> <p>The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time.</p>

Executive Summary

1. The Programme

The *Made in Syria* Integrated Programme (IP) was developed and approved by UNIDO in 2002. Its objective was to improve the competitiveness of *Made in Syria* industrial products and their integration into global value chains.

The first component on Industrial Governance, funded by UNDP and UNIDO, carried out value chain analyses in four industries and gave the Syrian government both a comprehensive set of policy recommendations and the project document for what became the second component of the Programme, namely the Industrial Modernisation and Upgrading Programme (I'MUP).

The total funding of the two components was USD 3.55 million. The first component's key interventions were completed in 2005. After a pause of two years, the second component was implemented from 2007 to 2009 by the Government of the Syrian Arab Republic and UNIDO, with funding of Euro 2.2 million from the Government of Italy.

2. Overall conclusions

The *Made in Syria* Programme has given crucial assistance to the Syrian Government in its efforts to strengthen the private sector within Syrian industry through inputs to the Government's 10th and 11th 5-year Plans.

By drawing on its experience in comparable countries and providing international experts and training national experts, UNIDO has created significant beginnings in increasing the productivity and business capacity of selected garment and textile enterprises.

At the time of the evaluation *Made in Syria* had been less successful in building textile-specific strategy and support agencies and in fully developing the planned financing vehicles: the investment promotion component was unsuccessful due to

insufficient commitment and data from the companies; the credit facility was excellently designed but implementation was delayed².

3. Relevance

The *Made in Syria* Programme, especially the I'MUP, has been relevant to the Government's aim of policies and implementation mechanisms that mutually reinforce each other in strengthening the industrial sector. This comprehensive approach responded to the requests of the Syrian Government for a 20-year vision of transformation in public efficiency and encouragement of private initiative, goals that were recognized within the United Nations Development Assistance Framework³.

In the same way it has been relevant to UNIDO's objectives and expertise to assist the Government and local stakeholders to build Syrian products (from the textile and garment subsectors) as regionally and internationally competitive.

The Programme is further relevant to the Italian Government's development co-operation objectives as well as the intentions of its Memorandum of Understanding with the Syrian Government⁴.

4. Effectiveness

The effectiveness of an Integrated Programme is achieved when greater value is added through the components being grouped in an Integrated Programme rather than operating on their own. As planned, much of this value can already be seen: in its effect on strengthening government policy and governance and, at the same time, building support institutions and directly intervening in enterprises.

In Component 1, *Made in Syria* achieved the expected results: the findings of its competitiveness studies of Syrian industry were adopted by the Government in its tenth Five-Year-Plan; as well, many of the competitiveness assessment tools⁵ used then, have continued to be in use by Syrian agencies.

In Component 2, the upgrading and modernization interventions were largely but not fully achieved. The I'MUP component was designed as a mini-Integrated

² Implementation of the facility was not a required output of this project, only its design. The UMU did creditable work to encourage its approval by the donor. After this report was written, the donor approved the credit line.

³ Syrian Arab Republic UNDAF 2007-2011 page 3 (The UNIDO Programme was designed prior to the UNDAF)

⁴ Signed in Damascus on 23 November 2000

⁵ The UNIDO scoreboard, benchmarking and value chain analysis tools,

Programme, combining expertise and services from three different branches within UNIDO and addressing issues affecting Syrian industries at macro, meso and micro levels. Given the multidimensional nature of Syria's industrial needs, UNIDO aimed to apply a wide range of its expertise with the interventions that addressed one area of need reinforcing those that addressed other areas.

Mutual reinforcement was not as apparent in the textile strategy and the textile support centres. Delays here were attributed to staff changes within UNIDO and to difficulties in reaching consensus between the Syrian Government and regional industry groups. Because of these and the delays in implementing the credit line, and in building company capacity to take advantage of the intended investment promotion scheme, the full integrated value originally intended has not yet been realized, though the strategy remains sound and achievable.

The Upgrading and Modernization Unit (UMU) established in 2007 had considerable success in facilitating interventions at all levels.

Twenty national consultants (and three UMU staff) were trained by the Programme in enterprise diagnosis, production, marketing, cost-accounting and environmental management (with Human Resource Management planned by mid-2009) but more work is needed to increase their capacity.

The UMU was able to demonstrate to the companies, real gains in their productivity, and savings on their costs. This increased their trust in the Programme and brought the beginnings of progressive changes of attitude, behaviour and business culture.

Because of the long delays before actual face-to-face work by the experts with the companies could take place (late 2008 until mid 2009), the Evaluation's assessment of results was largely anecdotal, and hampered by a lack of base-line data, against which a more quantitative evaluation of results could be made.

5. Efficiency and programme management

Component 1 was implemented efficiently within budget, and the quality of the results was high. Implementation took eighteen months rather than the planned five; but experience of participatory approaches indicates this is a reasonable time frame and the time loss is more than compensated by greater national ownership of the results. It was noted that UNIDO had not submitted the final report and financial statement to UNDP for final closure of this project.

After an initial period of intense activity (2002-2004), implementation of the IP then stalled, being renewed in February 2007 with the start of the I'MUP programme.

Difficulties in mid 2008, in obtaining timely release of funds from the donor, and insufficient management, co-ordination and accountability both at UNIDO HQ and in the UMU led to delays in inputs to companies, and inadequate progress in the activities of the textile sub-component.

A sound governance structure of a Steering Committee and Consultative Committee supported an Upgrading and Modernization Unit (UMU) that benefited from two talented international technical staff and well networked national technical leadership. These positions reported to the lead Project Manager in Vienna. Two other HQ project managers led the textile and investment promotion activities.

Management problems were at two levels. In the UMU there were overlapping areas of responsibility between the full time CTA and the national technical co-ordinator. In part this flowed from a lack of a clearly designated management role outside that of the project manager in Vienna, and a lack of priority by the UMU to staff development skills, office systems and client communication.

At the UNIDO level the dispersed nature of coordination among the three project managers led for a while to the sub-components moving as stand-alone projects. Centralized control in Vienna of the detail of the project finances led to some inability on the part of UMU management to predict accurately the services that could be delivered which led to frustrated expectations among some client companies.

Because of these problems, the Made in Syria Integrated Programme was only partially implemented in an integrated manner. Several companies pointed to the lack of an updated strategic vision for the Syrian textile industry as companies in Syria were forced to cut or shorten production lines in the rapidly changing world market conditions of 2009. Local experts and companies involved in the investment and partnership promotion pointed to loss of efficiency because investment promotion was not included in company diagnoses, so not implemented in parallel with other inputs.

6. Sustainability

The benefits from component 1 proved sustainable: findings from the industry competitiveness assessments were adopted in the tenth Five-Year-Plan, and the strength of the design of the I'MUP project has been validated by the results of its work so far. Many results of component 2 are likely to last beyond the I'MUP's planned completion date, but sustainability is still a problem for the textile strategy, textile support centres and investment partnership promotion.

Most companies visited by the evaluation team believed that the effects of the I'MUP's inputs would continue, though many also commented that they would be

more likely to be sustainable if international experts could re-visit their companies to ensure correct implementation of the advice given, and if loan finance was available for full implementation of that advice.

Delays in getting started and uneven management, technical and financial capacity have not hindered the UMU from building the basic ingredients of a long-term viable support agency, but these initial achievements are still fragile and considerably more work is needed to consolidate them. The sustainability of the UMU itself depends largely on whether there is additional funding for the project beyond 2009.

7. Recommendations

A. Specific recommendations for individual components

COMPONENT 1: EFFECTIVE INDUSTRIAL GOVERNANCE

- UNIDO should submit the final report and financial statement of project DPSYR05006 to UNDP, so that UNDP can officially close the project.

COMPONENT 2: INDUSTRIAL MODERNIZATION AND UPGRADING PROGRAMME (I'MUP)

UNIDO

- In consultation with Syrian stakeholders and the Italian Government UNIDO should develop a Phase II of the I'MUP, and to optimize the gains and momentum of Phase I, ensure there is no gap before Phase II.
- Phase II should:
 - continue to focus on the textile and garment industry through further support to the pilot companies and expansion to other companies in the same sector,
 - emphasize building the capacity and professional standards of national consultants, including coaching by international experts;
 - consider using regional consultants, especially if the more expensive international consultants are phased out, so as to help develop a more competitive market of Syrian BDS providers.
 - pay greater attention in the target companies to corporate social responsibility practice, including gender balance, social equity,

environmental management, and (in possible collaboration with the International Labour Organization) occupational safety and working conditions;

- consider building export-oriented clusters and consortia and use these as a means of inputting expertise to the companies;
 - develop a logical intervention strategy with expected results, indicators in line with Results-Based Management principles, and a monitoring and evaluation (M&E) system to manage for results.
- In consultation with Syrian and Italian stakeholders, UNIDO should prioritize the Textile and Investment Promotion interventions to be implemented before project completion in December 2009,
 - Consideration should be given to expanding the role of the UMU with regard to the proposed credit scheme and the financing needs of Syrian SMEs in general. Some existing staff could have a role in supervising and reviewing business plans for loan applications but the possibility should be explored, that with increased expertise, the Unit could carry out administrative support functions for the banks and for a fee.
 - A Human Resource Development (HRD) plan should be developed for the UMU to ensure that its staff possesses the management and technical capacity to provide quality follow-up to companies and, if given the mandate, to implement the credit scheme.
 - The UMU should be permitted to recruit professional staff from the private sector, and UNIDO should develop an exit strategy for itself to ensure the financial, technical and institutional sustainability of the UMU after project completion.
 - A sustainability strategy should be developed for the UMU, and in particular the UMU to ensure that it can develop from an introduced project structure towards a sustainable national institution. This will require assessment of an appropriate governance structure distinct from the governance structure of the early project phases
 - The lead management role of the UMU needs to be assessed carefully; it should have the title of manager, and all senior job descriptions (including that of the chairman of an executive committee who could be remunerated on a part-time basis) should ensure that both the internal functions (office

and client management) and external (liaison, lobbying and public relations) will be carried out with necessary skill.

- Management functions should not be carried out by a permanent CTA role. A CTA function should be essentially advisory and mentoring.
- Succession planning should ensure that both corporate memory and the external trust relationships, built up in Phase I, are retained by the organization during Phase II and beyond.
- In this context, given the importance of a private sector mentality, consideration should be given to recruiting a person who is able to run -- or learn how to run -- a private-sector-oriented organization and who at the same time understands the public sector realities in Syria. This will require assessing how the best person can be recruited and retained from the relevant niches of the labour market including returning migrant professionals. Such planning should be in place before the end of Phase I.
- More finely tuned support strategies should be developed, clarifying the different levels and timing of client need and readiness to receive inputs, and the most feasible and effective way of delivering advisory and follow-up services to companies whether individually or in clusters, and whether via international or national consultants or UMU operational staff, and according to a graduated scale of fees for greater cost recovery.
- The UMU should develop base line data and monitoring and evaluation procedures to assist the Ministry of Industry and State Planning Commission in implementing the 11th Five-Year Plan
- The I'MUP should involve the Chambers of Industry, Syrian Association of Management Consultants and Syrian Exporters Association to act as a channel of client feedback to the UMU, and monitor company progress and results. Studies prepared by project experts/consultants should be shared with all concerned parties to stimulate discussion and action.
- There should be an increase in the existing co-operation between the I'MUP, the Syrian Enterprise Business Centre and the private sector development projects of other donors in Syria.

Government of Syria

- Future staffing strategy for the UMU should recognize the need for inclusion of staff with private sector background.

- Greater commitment should be given by public sector leadership to understanding the needs of the private sector through measures such as facilitated forums to identify problems affecting both sectors.
- Longer term funding for industrial upgrading initiatives should be planned so that they are not dependent on external resources, and in some cases, achieved through creative use of public-private partnerships.
- Ensure better sharing of UMU data with the Ministry of Industry and the State Planning Commission, so I'MUP inputs at macro level, and experience from upgrading Syrian companies at micro level, feed into the 11th Five year Plan.

Government of Italy

- A Phase II should be funded to consolidate the benefits of Phase I and with no gap before the commencement of Phase II.
- Management of the credit scheme should note the pilot companies' stated desire for the scheme to work through both public and private Syrian banks including, as recommended by many companies, Islamic banks.
- A schedule for release of funds should be agreed with UNIDO at the outset of Phase II to allow smooth project implementation of activities.

B. Recommendations to the management of the Made in Syria IP

- The completion date of the Made in Syria Integrated Programme should be identified, and closing procedures initiated.
- There should be longer overlaps between outgoing and incoming staff and improved de-briefing and knowledge management.

C. Lessons learned of wider applicability

- In a UNIDO Integrated Programme, and in order to improve management and coordination among project managers, the lead project manager should be empowered to clear proposals for action by the other project managers. The project management team at UNIDO-HQ should also review regularly the performance of the project according to an agreed schedule.

- The programme or project documents of a complex programme should be promptly updated in the light of later steering committee and management decisions and should be accessible, in language and style, to all stakeholders and their staff.
- An inception report can also be a useful practice for complex longer-term projects in order to clarify changes to interventions, specify expected results and beneficiaries, and outline appropriate management systems and personnel.
- For projects of long duration and multiple components, a start-up phase of three to six months is desirable, to ensure project management staff and office are in place before activities commence. The name Start-up Phase has some advantages over Phase One in the expectations it arouses from beneficiaries and stakeholders, and a clear communication strategy during this phase is necessary to maintain stakeholder support.
- A Human Resource Development (HRD) plan should be developed for all projects as a matter of course, as the continued availability of the human capital depends on the transition in management and technical personnel over the project phases.
- Helping beneficiaries achieve 'quick wins' can build trust in the services of an upgrading programme and provide confidence for companies' investment decisions.

1

Introduction and background

The *Made in Syria* Integrated Programme (IP) and its key component, the Industrial Modernization and Upgrading Programme (I'MUP), formed the core of a partnership between UNIDO and the Government of Syria to bring about a realignment of the Syrian economy and the creation of a competitive private sector. While “economic pluralism” was introduced in the 1970’s, Syria’s was until the early 2000’s, essentially a centralized economy built on publicly-owned enterprises, with economic growth based on oil and agriculture. A conscious shift to a market-driven economy was brought about both by internal factors, such as the decline of the oil resource and the need to create more employment for Syria’s youth⁶ outside traditional sectors (principally wheat and cotton⁷) and external⁸ factors, such as the need to increase export earnings through diversified, technology-driven products designed for the global marketplace. Syria’s industries, therefore, largely protected from competitive disciplines, needed to be restructured and upgraded.

As at 2004, 14% of the total Syrian workforce was employed in manufacturing, with one third of that number in the textile industries. The other major industries, food processing and leather, also needed upgrading, but in the end priority was given to the textile industry⁹ as being well suited to Syria’s traditional strengths in garment and textile production (including for example artisanal and design skills in silk). Syria’s smaller scale businesses and physical proximity to the markets of Europe and the Arab World gives it a potential competitive advantage -- particularly over lower-priced Asian exporters -- in responding flexibly to changing tastes through close links to its buyers¹⁰.

UNIDO’s contribution had begun with a rapid assessment of the needs of Syrian Industry leading to the Programme document ‘Made in Syria’ of January 2002. This outlined three components: 1) Effective Industrial Governance; 2) Support

⁶ Syria has a population of 17 million growing at 2.6% a year. Unemployment is at 20%.

⁷ GDP composition in 2004 was 50% services, 27% agriculture and 23% industry.

⁸ Syria had *Uruguay Round* and *Euro Mediterranean Association Agreement* responsibilities to liberalize trade.

⁹ Leather was originally included, as seen in the 2002 *Made in Syria* programme document.

¹⁰ These points were made by several persons interviewed, and arise from the emphasis on upgraded garment value chains, copying some East Asian practices and exploiting the proximity to the EU and Arab World markets made in the 2003 UNIDO Industrial Assessment and Strategies Document (International expert team led by Y. Akhvediani)

Institutions for Competitive SME Development; and 3) Implementation of Pilot Competitiveness Programmes for the Textile and Leather Sectors. Component 1 was progressed and completed well prior to 2007. It provided support to the Syrian Government in formulating an industries development strategy which was then included in the framework of the Government's 10th Five-Year Plan.

After some delays, parts of Components 2 and 3 were combined into the Project Document "Industrial Modernization and Upgrading Programme". While it was drawn up in November 2004 it had to wait until February 2007 for implementation with funding from the Italian Government. The Inception Report of September 2007 gave a needed updating to the 2004 document.

The I'MUP project, although described as a Phase I, operated in 2007-9 very much as a pilot project. In this, it has been assisting Syrian textile companies, the Government and the private sector partners, to take on significant changes in business culture (by the companies), and an increased understanding of private sector priorities and ways of operating (on the part of the Government). While some of the institutional development (e.g. of the textile centres) has been extremely slow, the modernization and upgrading of participating companies has successfully met the needs of a pilot phase: namely demonstrating the relevance and feasibility of making productivity gains to garment and textile companies by high quality directly tailored interventions. The current activities were due for completion at end June 2009 (more recently extended to December 2009).

Table 1: Planned and current status of the Made in Syria Integrated Programme

#	Component	Planned Budget (USD)	Status	Total allotment (USD)
1	Effective industrial governance	665,000	Partially realized	529,922
2	Support institutions for competitive SME development	1,030,000	Partially revised & realized	2,394,964
2.A	Upgrading quality infrastructure	325,000	Partially revised & realized	
2.B	Strengthening the Investment Bureau including the establishment of an investment promotion unit	401,000	Not realized, but redesigned	
2.C	A business development service and business incubator facility	304,000	Not realized	
3	Implementation of pilot programme to improve the competitive position of textile and leather sectors in local, regional and international markets	1,785,250	Partially revised & realized	620,626
3.A	Upgrading of the Textile Wet Processing sub-sector	904,250	Partially revised and realized	
3.B	Upgrading Tanner operations in Zablatani Cluster	881,000	Not realized	
	TOTAL	3,480,250		3,545,512

Source: UNIDO project and programme management system AGRESSO and InfoBase as of January 2009 and IP document.

NOTE on project and programme

“Programme” and “project” have been used sometimes in a confusing way in the documentation. In this Evaluation and -- unless used differently when quoting from a particular document – “programme” is understood to mean the suite of activities and services provided by an agency over the longer term; and “project” as the concentrated set of inputs, outputs and activities provided over the shorter term to establish a programme on a longer term basis. [These are not UNIDO’s current definitions but are provided as a stimulus to greater clarity in future documents.] Because in the period reviewed by the evaluation the whole I’MUP programme has been run as a project, it is usually referred to as such in this report.

2

Evaluation

2.1 PURPOSE

The purpose of the independent evaluation was to:

- Assess the Integrated Programme 'Made in Syria' in terms of relevance, effectiveness, efficiency and sustainability; and
- Draw lessons and make recommendations for UNIDO's ongoing and future interventions in Syria and other countries.

The target groups that the evaluation report was intended to benefit, include:

- The Syrian Government and associated Syrian Industry stakeholders;
- The Italian Government - the principal development co-operation partner;
- The Steering Committee (including the UNIDO Representative, UNIDO Project Manager, and Upgrading and Modernization Unit management); and
- UNIDO personnel who are likely to plan future UNIDO interventions.

2.2 SCOPE

The evaluation covered the three funded Programme components as in Table 2.

Table 2: Planned and current status of the IP Made in Syria

#	Component	Planned Budget (USD)	Status	Total allotment (USD)
1	Effective industrial governance	665,000	Part realized	529,922
2	Support institutions for competitive SME development	1,030,000	Part revised & realized	2,394,964
2.A	Upgrading quality infrastructure	325,000	Part revised and realized	
2.B	Strengthening the Investment Bureau including the establishment of an investment promotion unit	401,000	Not realized, but redesigned	
2.C	A business development service and business incubator facility	304,000	Not realized	
3	Implementation of pilot programme to improve t competitiveness of textile and leather sectors in local, regional and international markets	1,785,250	Part revised & realized	620,626
3.A	Upgrading of Textile Wet Processing sub-sector	904,250	Part revised& realized	
3.B	Upgrading Tanner operations in Zablatani Cluster	881,000	Not realized	
	TOTAL	3,480,250		3,545,512

Source: UNIDO project / programme management system AGRESSO, Info Base Jan 2009, IP doc.

2.3 METHODOLOGY

The evaluation was carried out in accordance with the evaluation methodology, scope and process set out in the Terms of Reference (see Annex A). It was conducted as an Independent Terminal Evaluation, in compliance with UNIDO's Evaluation Policy and the Guidelines on the Technical Cooperation Programmes and Projects.

It was carried out at two levels: i) evaluation of the IP as a whole, and ii) evaluation of individual components.

It attempted to determine, systematically and objectively, the relevance, efficiency, effectiveness (achievement of outputs, outcomes and impacts) and sustainability of the Programme.

Under **relevance**, the evaluation assessed whether the Programme's design had been -- and still was -- responsive and relevant to the needs of the target groups, to Syria's development priorities, to the donors' policies and to UNIDO's specific expertise. The assessment of the Programme's relevance was based on the context both at the time of design in 2002 and of 2009. This was to reflect the dynamics of the Programme and the ability of the IP management to learn and adjust during its implementation, in the light of changes in the Syrian environment and government policies between 2002 and 2009.

Under **effectiveness**, the evaluation assessed the achievements of the IP against its key objectives as set out in the Programme document 'Made in Syria', in individual component/project documents, and in reports, noting the revision of expected results during implementation. This category focussed on the results achieved.

Under **efficiency**, the evaluation assessed how economically resources or inputs (funding, expertise, time, methodology etc) had been converted into outputs, including timeliness of the Programme's delivery of inputs and production of outputs. This category focussed on the management of the Programme and its project phases.

Under **sustainability**, the evaluation examined whether the benefits from the Programme would (or would be likely to) continue after the Programme completion.

2.4 EVALUATION TEAM AND PROCESS

The evaluation held a two-week field mission to Syria 8-22 March 2009. The four-person independent evaluation team was tripartite in structure: Mr Saad Bsata, national consultant, nominated by the Syrian Government; Mr Tim Dyce, international consultant and team leader, appointed by the UNIDO Evaluation Group; Ms Thuy Thu Le an Evaluation Officer of the UNIDO Evaluation Group; and Mr Giuseppe Papuli¹¹, international consultant, nominated by the Italian Government.

The evaluation process comprised:

¹¹ Mr. Giuseppe Papuli is a former UNIDO Representative in Beirut and covered UNIDO interventions in Syria. To ensure independent assessment, Mr. Papuli did not assess or influence the analysis by other evaluation team members of the interventions he had been involved in designing or implementing. Due to late arrangements by the Italian Government Mr. Papuli did not participate in the first half of the field mission.

- Desk review of available documentation to assess the overall design and implementation of the Integrated Programme Made in Syria. This included: Design, Progress and Terminal reports, Steering Committee minutes, UNIDO project managers', staff and consultants' reports, Upgrading Unit CTA reports, manuals and training materials.
- A written survey of the 36 companies participating in the I'MUP-Syria programme¹² which had a 92% response rate and was used to give background and focus to the face to face interviews.
- Face to face interviews with representatives of 18 of the 36 pilot companies (principally the manager-owner, and frequently also senior managers, assistants or staff). The companies were randomly selected within the two overarching categories of garment and textile companies. With one exception, these companies were interviewed on-site which also enabled observation of the workplace. The evaluation team split into two sub-groups to meet with these companies and other stakeholders, in the four Programme locations of Aleppo, Hama, Homs and Damascus.
- Interviews with six companies that had decided not to join the Programme, in order to assess their reasons and their perception of the impact of the Programme on those that had joined. The Syrian Garment Exporters Association organized its own meeting of Programme participants on the day before it met with the evaluation team.
- Comparison of information from different sources to ensure as far as possible neutral and evidence-based findings.
- A presentation of initial findings to a meeting of 40 stakeholders in Damascus at the end of the mission, and to UNIDO HQ staff and participating country Ambassadors in Vienna, with their feedback incorporated in the report.
- Documentation of the evaluation findings, circulating the drafts of the evaluation report to key external and UNIDO stakeholders, and revising the report to reflect the feedback received.

¹² The questionnaire was prepared by the evaluation team and reviewed by project staff before distribution; it was distributed and collected through the UMU (by respondents mailing in anonymously their completed copies).

3

Syrian economic and political context

3.1 STRUCTURE OF THE ECONOMY

A lower middle-income economy with a per capita income of US\$1,570, Syria has a growth rate of 2.3% per annum in its population of 20 million and of 5% in its labour force¹³. The oil sector provides half of government revenue and two thirds of exports but has declined in recent years, making Syria a net oil importer in 2008 and increasing the need to diversify sources of export income, this against a background of declining water resources and increased pollution.

Agriculture's share in Syria's Gross Domestic Product (GDP) fell from ±30% in the late 1980's-1990's to ±20% in 2006-2007. Industry's share grew (see table below) at only +1.1% in 1997-2007, and fell -5% in 2007 in comparison to +12% growth 1987-1997, a result of the '90's fall in exports to the Soviet Bloc.

Since then, Syria has increased trade in its main markets the Arab region and the European Union (EU). Manufacturing contributed +7.8% of Syria's GDP in 2007 low regionally, and lower than Asian Tiger Nations' 20-40%.

Table 3: Syria's economic structure

<i>Share of GDP (%)</i>				
	1987	1997	2006	2007
Agriculture	26.6	27.9	18.3	20.4
Industry	20.7	30.9	32.2	31.6
Manufacturing			7.1	7.8
Services	52.8	41.2	49.5	48.0

¹³ The main sources of information in this section are the World Bank World Development Indicator 2008; World Bank Country Website for Syria; World Bank Doing Business in 2009; The Economist Intelligence Country Profile 2008 for Syria; UNIDO Industrial Development Report 2009; UNIDO Syria – Industrial Assessment and Policy Recommendation 2005; UNIDO Value Chain Analysis of Syrian Textile and Garment Industry (originally 2005); UNIDO Industrial Statistics 2009; UNDP Syria website; World Economic Forum – Global Competitiveness Report 2008-2009; the EU Strategy Paper for Syria 2007-2013; and Ottolini and Rouman: Support Services in Syrian Textile and Clothing Industries 2008.

<i>Average annual growth</i>				
	1987-97	1997-07	2006	2007
Agriculture	5.8	4.5	10.3	6
Industry	12.2	1.1	2.9	-5.0
Manufacturing		14.9	8.1	5.0
Services	1.1	7.2	8.1	9.5

Source: World Bank Development Indicators, 2008.

3.2 POLITICAL CONTEXT

Syria has had the advantage of long-term political stability derived from the three-decade rule of its former President Hafez al-Assad, and given a forward-looking impetus and sense of evolutionary change, since 2000 by the present President Bashar al-Assad. Though forced by geography to be a lightning rod for tensions in the Middle East, Syria has projected a resilience that earns respect, even if grudgingly given in some quarters, though the influx of refugees from political instability in the region has been a drain on resources.

3.3 ECONOMIC REFORMS

By 2000, Syria's high and medium-tech export sector had practically collapsed. And unemployment was increasing significantly, especially among the young. This trend reflected in part slow economic growth and inadequate capital formation since 1998, and a labour force not suitably educated for a modern economy. State-owned industries remained a basin to absorb the labour force, and as such they had low productivity surviving mainly on Government subsidies and within a protected domestic market.

The Government understood that if Syria was to engage in a competitive world market an economic transformation was needed to achieve higher levels of productivity, especially with the impending exhaustion of its oil reserves. The reforms aimed at opening up the economy to free trade and giving private enterprises a more prominent role in economic development. In 2006, the Government's 10th Five-Year-Plan was approved, focusing on economic reform through industrial modernization. As a result, Syria's economic performance has improved remarkably. The economy expanded by an estimated 6.6% in 2007, with an average annual growth of over 4% per annum from 2003, though energy subsidies continue at a concerning rate of $\pm 12\%$ of GDP.

Table 4: Average annual growth (%) of GDP and exports and imports

	1987-97	1997-07	2006	2007	2007-11
GDP	6.1	3.6	5.1	6.6	3.6
Exports of goods & services	14.0	1.9	-10.0	2.5	5.8
Imports of goods & services	3.8	9.9	-4.5	8.4	

Source: World Bank Development Indicators, 2008.

Significant structural changes have included: private banks opening from 2004, insurance companies cleared for private investors, and the Syrian Stock Exchange opening in late March 2009. Non tariff barriers have been removed and licensing procedures simplified. Cluster incubators for new industries have been located in new industrial cities near Damascus, Aleppo and Homs. Some of the ambitious goals for the 10th 5-year plan (2006-2010) including those of Component 1 (Made in Syria Programme), were not achieved; but as the Deputy Prime Minister Dr. Dardari outlined to the Evaluation Team, they will be carried forward into the 2011-2015 5-year Plan, to which the inputs of Component 2 have already begun to contribute.

3.4 PRIVATE SECTOR COMPETITIVENESS

As a result of these economic reforms, the private sector has been leading recent growth. At the time of the evaluation the investment climate was improving under a new investment law and the direction of a new regulatory and promotional authority. Foreign direct investment has increased from 0.5% of GDP in 2001-2 to 3.2% in 2007. According to the Government's 10th Five-Year Plan, the private sector is now contributing 60% of GDP, imports, 75% of total imported value, and producing 56% of Syrian exports excluding oil.

However high technology exports are very low at 0.6% of exports because for a long time, private companies were hampered by control of the state, an unpredictable bureaucracy, poor infrastructure and high hidden costs of doing business. The competitive weakness of small enterprises reflected their low levels of investment, technological stagnation and shortage of skilled labour.

A major characteristic of private sector companies in Syria is that they are of small and medium size and family-run, many with less than five employees. These SMEs have increasingly been exposed to intense international, regional and domestic competition, but have been without a comprehensive strategy to build necessary the skills, capabilities, infrastructure, and support institutions.

In recent years, Syria has substantially improved its business environment and competitiveness. According to UNIDO's 2009 'Industrial Development Report', Syria's Competitive Industrial Performance ranking jumped to 103rd from 113th out of 122 countries between 2000 and 2005. In the World Bank's assessment of business environment 'Doing Business in 2009'¹⁴, Syria moved from a position of 145 out of 178 economies in 2008 to 137 out of 181 economies in 2009. Similarly, 'The Global Competitiveness Report 2008-2009' of the World Economic Forum ranks Syria 78th out of 134 countries in 2008-2009, instead of 84th among 128 countries in 2007. Despite restrictive controls on its operating environment under the centralized economy, the private sector has remained vibrant and should consolidate as the engine of growth, as long as the enabling business climate continues to develop.

3.5 TEXTILE AND GARMENT INDUSTRY

Syria's main industries are textile, garments, processed food and beverages, and fabricated metal products. The textile and garment sector has a long tradition: the industry representing 24% of non-oil industrial production and 45% of non-oil exports in 2004. According to UNIDO 2009 Industrial Statistics, the number of textile and garment companies in 2004 accounted for more than 20% of Syrian industrial firms and deployed 26% of all employees. In 2005, textile, garment and leather and footwear industries together accounted for nearly 80% of Syrian manufacturing value-added.

However, the competitiveness of the textile and garment industry is still weak after years of operating in a protected market. Both public and private firms have faced big challenges to remain competitive in an open economy and these have become even bigger with the global economic crisis in late 2008. Although the Syrian textile and garment industry is the second largest textile industry, after Egypt, within the Arab region, its products do not have the same market recognition as those of Egypt, Tunisia, Morocco, Jordan and Dubai. Products are often basic and low-priced, targeting the lower segments of export markets. Export distribution channels have not exposed Syrian textile and garment firms to the dynamics and tastes of foreign markets and therefore they have not been creative enough to develop products of higher added value.

The garment and textile industries face intense competition from regional (Turkish), and Asian (Chinese) products. Some of those interviewed pointed out that strategies need to focus less on price as Syria's competitive advantage but more on product quality, together with the flexibility to respond quickly to the relatively nearby markets of the Middle East and Europe¹⁵.

¹⁴ Doing Business Indicators: World Bank website

¹⁵ Refer Foot note 10 above

3.6 HUMAN DEVELOPMENT INDICATORS

Syria has continued to reduce the number of people living in poverty from ±14% in 1997 to 11% in 2004. As reported in the *UNDP Syria* projections, if the current poverty reduction trend continues, Syrian benchmark of 7.13% for Millennium Development Goal 1 “the eradication of extreme poverty and hunger” will be achieved in 2015¹⁶. Syria has also moved from a Human Development Indicators ranking of 108 out of 177 countries in 2007, to one of 105 out of 179 countries, in the update of December 2008¹⁷.

3.7 DEVELOPMENT CO-OPERATION PARTNERS

The European Community and its member States are by far the largest donors to Syria, followed by Japan and the UNDP. The Arab Fund for Economic and Social Development has been a significant financier of agricultural development. Other regional donors include the Islamic Development Bank and the Arab Authority for Agricultural Investment and Development.

The biggest donor for business development has been the EU with support to private-sector development aimed at increasing SME competitiveness and the efficiency of business support institutions. This has been done largely through the Syrian Enterprise Business Centre (SEBC), the key business services provider in the country.

The Italian Government is the main EU bilateral donor for private and industrial sector development - in cooperation with UNIDO in the case of the I'MUP. The Japanese International Co-operation Agency (JICA) is also a large donor in Syria providing senior volunteers and experts to assist in the modernization of industry, by strengthening the Chambers of Industry and the Institute of Textile Industry in Damascus and Aleppo.

The United Nations Development Assistance Framework (UNDAF) was developed in 2005 for Syria for the period 2007-2010 and was agreed between the UNDP and the Syrian Government in September 2006, well after the UNIDO's Integrated Programme had been designed and half implemented.

¹⁶ Second National Report on the Millennium Development Goals in Syria.

¹⁷ hdrstats.undp.org/countries/country

4

Assessment of the Integrated Programme and its individual components

4.1 INTEGRATED PROGRAMME

4.1.1 Design

The Integrated Programme Made in Syria was approved by the Syrian Government in November 2001 and by UNIDO in May 2002 with a budget of \$3.48 million for three components (see Table 5 below). The Programme document contained good analyses of the country situation, and interventions by other donors in Syria, and its objectives were clearly linked to identified problems. The document arose from desk research in Vienna and a one-week programming mission to Syria of five UNIDO staff in May 2001, responding to the Syrian Government's aim of 2000 to give a greater role to the private sector.

However, the Programme's objective to *improve the competitiveness of Made in Syria industrial products in order to facilitate their integration into the global value chain* was ambitious and its scope was disproportionate to the estimated budget. The Programme would have spread itself too thinly over a wide range of interventions: developing industrial strategies, organizing support programmes and institutions, strengthening Syrian capacity in quality, standardization and accreditation, building capacity for financial investment, technology promotion and business development support; and improving the competitiveness and minimizing the environmental problems of the textile and leather sectors.

In line with results-based management principles the Programme document outlined all elements of a results chain -- through inputs, activities, outputs, outcomes to impacts, but the relationships between these elements were not those of cause and effect. The document described at length the Programme's activities but did not include a logical framework analysis or give indicators of expected results. Results, in terms of outputs, outcomes and impacts, were not consistent throughout the document and there was often confusion between outputs and outcomes which made it a difficult project to manage for results.

However the IP did serve as an umbrella framework for UNIDO's potential interventions in Syria, and it was not a "wish list" of possible UNIDO interventions but focussed on improving the competitiveness of the industrial sector and specifically of the textile and leather sectors for which it proposed a sensible funds

mobilization goal of \$3.5 million. This laid the foundation for UNIDO's later work with Syrian partners and donors to design documents for further sub components.

The principal project document to emerge was designed in 2004. This combined the second and third components of the 2002 Programme document into a single Second Component: the Industrial Modernization and Upgrading Programme (I'MUP) which itself combined a number of subcomponents. This project document also underwent revision in 2007 in the form of an Inception Report that re-focused some of the outputs and activities in the light of the first eight months of implementation experience. Both the planned and finally revised project frameworks of Made in Syria are set out below.

Table 5: Components and Budget at Design of Made in Syria

#	Component	Total budget (USD)
1	Effective industrial governance	665,000
2	Support institutions for competitive SME development	1,030,000
2.A	Upgrading quality infrastructure	325,000
2.B	Strengthening the Investment Bureau including establishment of investment promotion unit	401,000
2.C	A business development service and business incubator facility	304,000
3	Implementation of pilot programme to improve the competitive position of textile and leather sectors in local, regional and international markets	1,785,250
3.A	Upgrading of the Textile West Processing sub-sector	904,250
3.B	Upgrading Tannery operations in Zablalani Cluster	881,000
	<u>TOTAL</u>	<u>3,480,250</u>

Table 6: Components and Budget at Implementation of Made in Syria

#	Component	Project number	Total budget (USD) *	Total allotment (USD)	Disbursement rate (%)	Donor	Start date (first PAD)	Completion date
1	Effective industrial governance		20,800	413,245	100			
	Preparatory assistance to support Government reforms of public industries	DPSYR02006	20,800	413,245	100	UNDP	Apr-02	Jun-05
2	Industrial modernisation and upgrading programme		4,296,993	1,663,684	22			
2.A	Industrial Modernization and Upgrading Programme	TESYR05003	2,942,188	922,058	29	Italy	Nov-06	Dec-08
2.B	Industrial Modernisation and Upgrading Programme - (A)	TESYR05A03	757,140	202,153	16	Italy	Nov-06	Dec-08
2.C	Industrial Modernisation and Upgrading Programme- Textiles (B)	TESYR05B03	597,665	539,474	14	Italy	Dec-06	Dec-08
	TOTAL		4,317,793	2,076,929	38			

Note: *) Planned budget in Euro is converted in to USD at the exchange rate: 1 Euro = 1.45772 USD (as of 9 Jan 2008)

Source: UNIDO AGRESSO and InfoBase as of 9 Jan 2008.

4.1.2 Implementation

As already noted the Integrated Programme Made in Syria suffered from a two-year implementation gap between 2005 and 2007 when Component 1 came to an end and there were no funds to start Component 2. In 2002 a team of project managers and HQ staff had been set up within UNIDO, headed by an IP Team Leader, to manage the Programme. The Team Leader brought the HQ staff together several times to discuss the funds, mobilization strategy, and implementation. IP progress reports were prepared fairly regularly but focused mainly on activities, instead of results and feedback from stakeholders. Given the fact that the IP now consists of only one on-going project -- the I'MUP -- the role of the IP team may have become obsolete.

The Integrated Programme was finalized and approved in May 2002. As mentioned, it had an ambitious goal of helping the Syrian industrial sector improve its international competitiveness with its main targets being the textile and leather (tannery) sub-sectors. By September 2004, component 3 – the pilot programmes -- had been refocused on the textile sub-sector alone, leaving aside the tanneries. IP progress reports do not explain the reasons for the change. It is understood that the Syrian Government and UNIDO agreed on the need to concentrate resources on the textile industry to get better results more quickly.

After an initial period (2002-2004) of intense activity especially under component 1 – Effective Industrial Governance – with funding from UNDP (US \$412,950), the implementation of the IP slowed down considerably, caused principally by changes in the IP management at UNIDO headquarters, and the large scale economic and social policy reforms in Syria with their accompanying changes in key Government positions. As a result the execution of component 3 came to a complete standstill. The Current Planning Figure of US \$ 1,785,250, the largest in the IP with allotment and expenditures, was frozen at US \$ 70,029 between May 2005 and October 2006.

A new impetus was given in February 2007 with the start of the I'MUP programme and, in September 2007 with the adoption by all parties of the Inception Report. This was effectively a fresh beginning for the IP, now re-packaged as the I'MUP.

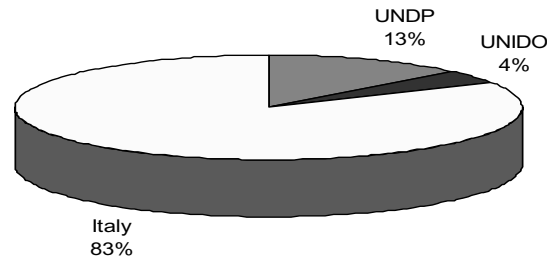
4.1.3 Funding

The Integrated Programme Made in Syria was highly successful in mobilizing funds. The total costs of the Programme were estimated in 2002 as \$3.48 million. At the time of the evaluation in March 2009, \$3.55 million had been raised, a funding ratio of 102%, much higher than the average 52% rate of all UNIDO's closed and ongoing Integrated Programmes so far. It is also higher than the average 61% in the Arab region¹⁸.

As shown in the figure below, most of the funding came from the Italian Government with the rest from UNDP and UNIDO. The Syrian Government and Chambers of Industry contributed to pay for staff, office premises and equipment of the project coordination units.

18. These figures come from an analysis of funding figures of all UNIDO's closed and ongoing Integrated Programmes and Country Services Frameworks, available from the UNIDO's Project and Programme Information Management System InfoBase as of 6 November 2008.

Figure 1: IP funding sources



However, following the refocusing of the target industries, funding was not mobilized for some of the planned interventions notably the Business Development Service Business Incubator Facility, and the upgrading of the tannery operations in Zablatani Cluster.

There are several reasons for the IP's success in mobilizing funds. The IP team set a realistic target for fund-raising, taking into account the limited development aid in Syria at that time. The Programme's estimated cost of \$3.48 million is much more in line with the average \$4.7 million actual funding rate of all UNIDO's closed and ongoing IPs and is much more realistic than the average fund-raising target of all UNIDO's IPs of \$8.5 million.

Throughout the IP planning process and the implementation of component 1, there was a high involvement of the Syrian stakeholders from the Ministry of Industry and State Planning Commission. As a result, the Syrian Government played an active role in mobilizing resources from the Italian Government for the I'MUP under component 2. The IP team also applied a strategic approach in delivering high quality products and gaining the trust of the national counterparts through close consultations during component 1. This led to the Syrian Government's full support for UNIDO to develop and implement the I'M UP.

The Made in Syria Integrated Programme has achieved a good level of integration in that component 1 resulted in the I'MUP under component 2. Also under component 1, UNIDO helped the Syrian Government define priorities for industrial development, while under component 2, UNIDO supported the Government to operationalize some of these priorities.

4.2 COMPONENT 1: EFFECTIVE INDUSTRIAL GOVERNANCE

4.2.1 Background

The objective of component 1 was: *'to assist the Government of Syria in formulating a Strategic Vision and National Industrial Restructuring and Upgrading Programme'*. It was expected that this would enhance the capacity of Syrian industries to compete under new conditions of globalization, by improving their productivity and technological and managerial capacities. Total funding of this component was UNDP ±\$450,000 and UNIDO \$80,000. The component's key interventions, largely implemented between 2002 and 2005, were a series of assessments of the competitiveness of Syrian industries and a proposal for a national industrial modernization and upgrading programme.

Table 7: Budget and status of component 1 (US\$)

Component	Project No.	Total Allotment	Expenditure rate (%)	Start date	Completion date	Donor	Status
Effective industrial governance		529,922	100				
Preparatory Assistance to Support Industrial Development Strategy	DPSYR02006	413,245	100	04/2002	12/2004	UNDP	Closed
	XPSYR03003	80,997	100	05/2003	09/2004	UNIDO	Closed
	DPSYR05006	35,680	100	01/2006	12/2007	UNDP	

Source: UNIDO Info base and project documents Jan 2009

4.2.2 Relevance

In 2000, Syria's industrial performance was weak. Manufacturing contributed around 7.5% of Syria's GDP, in comparison to the 20-40% of the Asian Tigers. In the same year, it ran a trade deficit of more than \$ 0.5 billion with the EU. Its net trade with the Arab world had eroded by two thirds over 10 years.

In 2002 the Syrian Government began to develop a comprehensive industrial strategy, and the programmes to implement it. Component 1 was -- and remains -- highly relevant to this, seen by the fact that most of the findings from the Component 1 studies were adopted in the Government's 10th Five-Year-Plan (2006-2010). The project document of the I'MUP, a key output of component 1, was put into effect through component 2, funded by the Italian Government.

The interventions under component 1 were also in line with the key objective of UNDP's 2002-2006 Country Programme in Syria and met the Syrian Government's increasing demand for policy advice and capacity-building to support its change agenda. Both national stakeholders and UNDP recognized UNIDO's comparative advantage in industrial competitiveness, analysis, and modernisation and the upgrading of companies.

4.2.3 Effectiveness and results

The original planned outputs were prepared in consultation with the Ministry of Industry and the State Planning Commission and in workshops with national stakeholders between 2002 and 2005. This approach gave all parties substantial ownership of the process, and commitment to make use of the outputs which, before the later changes were made, were as set out in the following table.

<p>Immediate Objective 1: To develop industrial strategies and organize support programmes institutions and networks to improve international competitiveness of Made in Syria textile and leather products</p> <p>Output1.1: Build up national capacities for industrial strategies formulation implementation and monitoring</p> <p>Output 1.2: Assessment of competitiveness in the new global relations</p> <p>Output 1.3: The formulation on new industrial development vision and consolidated strategies.</p> <p>Output 1.4: Formulated programmes to strengthen SMEs in the dyeing and finishing subsector of textile industry and tannery subsector and establish an organizational framework for implementing the support programmes and strengthened linkages between the government policy makers and private sector representatives in the process of support programme implementation.¹⁹</p>
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The Outputs produced by Component 1 were:

- Value chain analyses of textile, food, chemical, and engineering sectors
- A synthesis report 'Industrial Assessment and Policy Recommendations' based on sectoral analyses, case studies of companies, and assessments of trade, labour, macro-economy and industrial reforms of the public sector
- The project document of the I'MUP.

¹⁹ Integrated Programme Document Made in Syria January 2002 p 13

Priorities for industrial development were included in the 10th FYP for 2006-2010 based on the 'Industrial Assessment and Policy Recommendations' Report. The FYP was approved by the Government in 2006 after consultation with governmental agencies, the Baath Party, the People's Assembly, non-state institutions such as the Chambers of Industry and Commerce, and donors working in the country. The plan was seen as innovative, and a critical milestone for economic reform in Syria. Echoing the 'Industrial Assessment and Policy Recommendations' it called for industrial modernization, and reforms in the business environment and systems of trade.

In assessing the competitiveness of Syrian industries, UNIDO experts had applied, for the first time, the UNIDO scoreboard of industrial indicators together with methodologies such as value chain analysis and benchmarking. This combination of methods compared Syrian industrial performance to that of its neighbours, competitors and role models and raised awareness in public and private sectors of the major drivers of national competitiveness in the new global context and Syria's position in relation to these drivers. Some national consultants, who worked with UNIDO experts, have continued to use these UNIDO indicators and methodologies in the study of Syrian competitiveness. The World Bank also used some of the studies to assess the investment environment in Syria²⁰. To demonstrate the general effects of a modernization and upgrading approach to industrial development, the I'MUP project proposal focussed on the textile and garment sector. This proposal led to Euro 2.2 million funding from the Italian Government and the implementation of the I'MUP in component 2.

In summary, Component 1 was highly effective in achieving its intended results. Its potential impact is high, as the Syrian Government has invested resources in implementing the 10th FYP and will assess the results next year. The review of the achievements of the I'MUP is presented under component 2 in this report.

4.2.4 Efficiency and project management

Component 1 produced the expected outputs of three small projects within the original budget of around \$530,000 from UNDP and UNIDO and in 1.5 years against the planned 5-month period. Delay here was caused by a late approval by UNDP and wide consultation with stakeholders. 1.5-year is a realistic time frame and, while a participatory approach often takes longer, it increases national ownership of the outputs. The stakeholders who met with the evaluation team expressed high satisfaction with UNIDO's experts and methodologies. Given the moderate budget, the tangible and concrete results, and its potential impacts, the component has proved highly cost-effective.

²⁰ Syrian Investment Climate Assessment: Unlocking the Potential of the Private Sector World Bank 2005.

Project management by the UNIDO headquarters-based manager was regular and hands-on. A qualified and committed national project coordinator was recruited and worked from the premises of the Mol. Regular progress reports were prepared and consultations with the national stakeholders and UNDP were held. The absence of a Steering Committee to guide project implementation led to delayed decision-making and slow achievement of some results. The project DPSYR05006, funded by UNDP, is recorded as a closed project within UNIDO's management system. However, UNIDO has not submitted the final report and financial statement to the UNDP, for the latter to close the project in its system. This has affected UNIDO's reputation as a reliable partner and created some hesitancy on the part of UNDP to cooperate further with UNIDO at least in the Syrian context.

4.2.5 Sustainability

At the conclusion of the component's interventions, the likelihood of their continued benefits has proved high. As mentioned, the Syrian Government's 10th FYP reflected the findings and policy recommendations for industrial development from the component's reports, and was approved in 2006. I'MUP started in 2007. Both interventions continue to have beneficial effect on the Government's partnership with the textile and garment industries.

4.3 COMPONENT 2: INDUSTRIAL MODERNIZATION AND UPGRADING PROGRAMME²¹

4.3.1 Background

As detailed earlier, the Industrial Modernization and Upgrading Programme (I'MUP) combined the second and third components of the original *Made in Syria* Programme of 2002. The project that was to set up this Programme, comprised a number of sub-components making interventions at macro, meso and micro levels. I'MUP therefore formed a "mini" Integrated Programme within the *Made in Syria* Programme.

To understand the project it is important to remember the comprehensive nature of its aims:

- firstly to assist in the restructuring of the Syrian economy as a whole by improving the competitiveness of its private manufacturing sector; and
- secondly to use one sector: textile and garment, both as an entry point and a model for the wider restructuring.

21 Although the I'MUP is titled a 'programme', it is often referred as a 'project' even in its official design documents such as the 2004 Project Document and 2007 Inception Report. In this evaluation report, the project phase of the I'MUP covered by the evaluation is referred as a 'project' to avoid confusion with the Integrated Programme: Made in Syria.

At macro level, the project would create an enabling business environment, at meso level, strengthen support institutions, and at micro level, upgrade selected companies. The outline of the project from this aspect appears in table 8 on the following page.

But the project was also designed to assist the Government's aim of restructuring one specific sector, so its interventions must also be seen in terms of the specificity of that sector. The project was therefore also broken down into three sub-components: Upgrading, Textile, and Investment Promotion, as set out in table 9.

The I'MUP was designed and developed in consultation with the Syrian and Italian Governments, and approved by UNIDO in June 2004. Negotiations between UNIDO and the two governments had begun in 2004, but agreement was not reached among the three parties until November 2005, when UNIDO was appointed the implementing agency. The Italian Government approved the funding of Euro 2.2 million, and in November 2006 transferred the first instalment of Euro 1.3 million to UNIDO. The manager of the Upgrading sub-component, the biggest with more than 70% of the total budget, was appointed Lead Project Manager and was responsible for the coordination and management of the project, and dealings with the Syrian and Italian partners.

The Phase I implementation period was to last two years till June 2009. By May 2009 around 76% of the project budget had been spent or committed, and the project completion date was extended to December 2009²².

²² Based on the project Steering Committee's decision and the Italian Government's approval in May 2009

Table 8: I'MUP key interventions and budget (Euro)

Output	Key interventions	Original budget	Revised budget	Status
	Macro level - Business Environment			
1.1	National Programme for Industrial Modernization and Upgrading, including a financial scheme	70,000	70,000	As planned
1.2	Strategy for Textile Industry	70,000	70,000	As planned
	Meso level - Support Institutions			
2.1	Establishment of an Upgrading & Modernization Unit	443,000	443,000	As planned
2.2	Strengthening Investment Office & Department for Private Sector in Investment and Technology Promotion	65,000	0	Cancelled (moved to 2.4)
2.3	National consultants trained on upgrading techniques	55,000	55,000	As planned
2.4	Strengthened Aleppo Textile Technical Center and Damascus Intermediate Textile Institute	340,000	405,000	As planned
	Micro level - Pilot Companies			
3.1	Diagnostic studies and upgrading programme	220,000	220,000	As planned
3.2	40 companies upgraded	558,400	558,400	As planned
3.3	15 companies assisted for certification	85,000	85,000	As planned
3.4	15 companies assisted: investment partnership	111,949	111,949	As planned
	Subtotal	2,018,349	2,018,349	
	Support cost	181,651	181,651	
	<u>TOTAL</u>	<u>2,200,000</u>	<u>2,200,000</u>	

Source: Project document and UNIDO's Infobase May 2009.

Table 9: I'MUP key interventions by sub-component (Euro)

Output	Sub-component	Original budget	Revised budget	Expenditure (%)
	Upgrading	1,431,400	1,431,400	88%
1.1	National Programme for Industrial Modernization and Upgrading, including a financial scheme	70,000	70,000	As planned
2.1	Establishment of an Upgrading & Modernization Unit	443,000	443,000	As planned
2.3	National consultants trained on upgrading techniques	55,000	55,000	As planned
3.1	Diagnostic studies and upgrading programme	220,000	220,000	As planned
3.2	40 companies upgraded	558,400	558,400	As planned
3.3	15 companies assisted for certification	85,000	85,000	As planned
	Textile	410,000	475,000	42%
1.2	Strategy for Textile Industry	70,000	70,000	As planned
2.4	Strengthening textile support centers (Aleppo Textile Technical Center and Damascus Intermediate Textile Institute)	340,000	405,000	As planned
	Investment Promotion	176,949	111,949	30%
2.2	Strengthening Investment Office & Department for Private Sector in Investment and Technology Promotion	65,000	0	Cancelled (moved to 2.4)
3.4	15 companies assisted in investment partnership promotion	111,949	111,949	As planned
	Subtotal	2,018,349	2,018,349	
	Support cost	181,651	181,651	
	<u>TOTAL</u>	<u>2,200,000</u>	<u>2,200,000</u>	

Source: Project document and UNIDO's Infobase as of May 2009.

4.3.2. Design

I'MUP documents

In assessing the design of the I'MUP project the evaluation team needed to examine three major iterations: 1) the Integrated Programme document of 2002, 2) the Project Document of 2004 and – as the first eight months of the I'MUP project Phase I led to changes in results, activities and management – 3) the Inception Report of September 2007 (which served to update the earlier project document in the light of these changes). The Steering Committee made further small amendments during 2007-2008 not reflected in the project documents.

While each document has its strengths, the later ones did not always reproduce the strengths of the earlier. The Inception Report operated effectively as the project document from the end of 2007 and while being a superior document because of its practicality (and its notes explaining the changes), it was in essence a time-bound report and not a project document²³.

With a comprehensive Programme such as this, evolving over seven years and many staff and leadership changes (within the Syrian government, the donor, and UNIDO -- HQ and the Beirut Office) plus the added complication of three project managers, there was a need for a better developed master document. It could also have been re-written in less bureaucratic language without loss of accuracy, and be given a higher profile (i.e.: required reading for stakeholders and implementation personnel). This may not have overcome communication difficulties and the sense of separate components moving in isolation from each other that occurred at times in this project. However, it might have been a useful tool in the hands of the lead project manager to help overcome these problems²⁴.

Strengths

Originally, as already noted, both the textile and leather sectors were included in the project, but the final design wisely focused only on the textile and garment sector, one of Syria's most important industries and the hardest hit by growing competition at home and abroad. Experts in specific garment areas would provide tailored diagnosis and solutions to pilot companies. They could then see early results in a short time-frame and build confidence in the Programme. The benefit of these design features was acknowledged in submissions to the evaluation team by companies, national experts/consultants and donors.

Overall the I'MUP was well conceived: it set out an integrated delivery of inputs at levels of macro policy, meso support and micro upgrading which accurately

²³ It lacked the success indicators, admittedly not very good ones, which were part of the 2004 project document

²⁴ The project manager went to some lengths to produce power point presentations to give depth to the understanding of the project. These were excellent reporting tools but designed principally for the steering power point presentations are not an adequate replacement for a formulation that needs to last over time and be accessible to a wider audience. It is possible that the Evaluation Group at UNIDO HQ could have a role in assisting the project manager to produce such a consumer-friendly master document.

addressed the interlocking constraints on the Syrian industrial sector. By applying a wide range of global experience and with the careful involvement of all major stakeholders it helped the Government achieve its reform agenda.

Weaknesses

The two-year project duration was too short for a project of this kind, which would more than likely take four years to complete. Detailed activities were set out, but many intended results in terms of outputs and outcomes were not well defined, neither in the Project Document nor Inception Report; and sometimes outputs were confused with outcomes. The project's intervention strategy tended to be implicit. A results-chain was lacking that would demonstrate the logic of how inputs and activities would lead to outputs, outcomes and impacts²⁵.

Some success indicators were implicit in the supporting detail, but were not expressed clearly enough for project staff to monitor progress and measure results, to demonstrate if and how the enterprises' competitiveness was increasing. The need to train national consultants in upgrading techniques at meso level was recognized but emphasis was given to one-off training events rather than longer-term structured coaching by international experts, or developing local consultants' associations. Most national consultants noted that they learned more from the international experts than from the training events.

There could have been a better sequence of interventions. One of the first activities in September 2007 was a proposal for a National Programme for Industrial Modernization and Upgrading at macro level, but at micro level, company upgrading did not take place till mid 2008. The proposal could only then take into account UNIDO experience in Tunisia, Egypt, Morocco, and Algeria but not the experience of the l'MUP companies in Syria itself. In fact, this experience so far has proved its importance to officials who have expressed their intention to incorporate the proposal into the Government's 11th FYP.

The Upgrading and Modernization Unit was established to implement the project in Syria, however, its management structure was insufficiently specified in the Project Document and the Inception Report. The roles, responsibilities and reporting line of the National Technical Coordinator (NTC) and the Chief Technical Advisor (CTA) were not clarified. As a result, the UMU actually had no Manager designated as in charge of daily operations and office management. The effect of vacuum is discussed under the assessment of UMU below.

Finally, the project intended to modernize and upgrade 40 'pilot' enterprises but it did not design a mechanism to ensure that these 'pilot' models would be replicated.

²⁵ For example, the expected output and outcome of upgrading 40 pilot companies were more or less the same: 40 enterprises upgraded (modernized).

Factors to assist replication, such as documenting successful cases or developing manuals and methodologies in Arabic, were not emphasized.

4.3.3 Relevance

Key partners

A National Programme for Industrial Modernization and Upgrading was -- and still is -- highly relevant to the Syrian Government's priorities in modernizing its industries, as outlined in the 10th Five Year Plan (FYP). It met the need of Syrian companies to improve their competitiveness through better production techniques, management and marketing approaches, and technologies. This was achieved by i) the creation of a new kind of business development support institution (the UMU), ii) the development of a network of trained national consultants that could eventually become a new class of business professionals, iii) the innovative experience of direct interventions in small companies, and iv) the upgrading of textile support institutions including the competency to accredit -- within Syria -- the textile quality required for export. All these steps served to fill gaps in the business environment that had impeded Syrian industry from finding a competitive niche in the global market place.

The close involvement of the Government during the inception and implementation phases clearly contributed to the high relevance of the project. It is also aligned with the Italian Government's development co-operation priorities in Syria -- in supporting SMEs and textile sector; and with the Millennium Development Goals, the United Nations Development Assistance Framework²⁶ and the European Union Country Strategy 2007-13. Lastly, because the project aimed to ensure congruence between policy at macro level and practice at meso and micro levels, its design was well suited to UNIDO's expertise, methodologies and specialized services in textile, SME upgrading, trade infrastructure²⁷ and investment promotion.

Overall, people consulted by the evaluation team saw that the I'MUP was relevant to needs identified by the stakeholders, and it addressed real constraints to the industrial modernization in the textile and garment sector. The assessments of key interventions in the following sections point to high congruence between the project's objectives and Syria's development priorities, Italy's priorities in working with Syria, and UNIDO's technical expertise.

Financial scheme

Following 40 years of state monopoly, the private financial services sector in Syria has been developing rapidly since 2004. However, it remains difficult for SMEs to borrow, and for banks to lend to them. SMEs often do not have financial statements or good business plans, so it is hard for banks to assess risk and as a result often

²⁶ Syrian Arab Republic UNDAF 2007-2011 page 3. Three of the UNDAF Outcomes for Syria are advanced by the I'MUP though UNIDO itself is not a signatory to this framework.

²⁷ Trade infrastructure refers to standardization, metrology, testing and certification, and quality management.

require high guarantees and collateral of up to 200% of the loan even for small loans²⁸. Due to their limited experience in working with SMEs, Syrian banks have not developed financial products that are appropriate to his market. Enterprises therefore continue to borrow from informal sources -- family, friends or partner companies.

In this context, the availability of a credit scheme with soft loans, tailored to the needs of Syrian SMEs, was highly relevant, and designing the proposal for the scheme was an important part of the project's work. It was intended as a line of credit made available by the donor government to Syrian Banks at an advantageous rate for on-lending to SMEs. Extensive discussions were led by an international financial expert in Syria in late 2008. At the time of the evaluation, the scheme had still not received final approval but it had become even more relevant to the I'MUP pilot companies. They had been able to implement the experts' advice in relation to low cost items, but costlier upgrading of production infrastructure or equipment was often beyond their resources. This underscores the relevance of UNIDO linking effective financing to its technical upgrading programme.

The project seems to have relied heavily on this credit line on the assumption that Syrian SMEs have only limited access to loans from their national banking system and would continue to have to rely on informal financing sources. As a result, the diagnostics of the pilot companies were not developed into bankable business plans that could be submitted to a bank. This was a missed opportunity both to inject the disciplines of loan applications into how the companies' managers assess their businesses, and to demonstrate to local banks that SMEs can be creditworthy potential clients.

Many companies that met with the evaluation expressed their wish to access credit through Islamic banks to benefit from their favourable banking practices²⁹. Others stressed their wish to use the general banking system.

Social and workplace safeguards

The evaluation team noted that insufficient attention was being paid to occupational safety and health issues in the pilot companies, including issues such as safe storage of dangerous chemicals, reduced noise and proper lighting. The need to improve these aspects of company productivity should have been clearly stated in the project document.

²⁸ I'MUP's Technical Report of Financial Expert, May 2008.

²⁹ The salient features of the Islamic banking practices are: 1) no interest on deposits, but capital is guaranteed; 2) lending and investing are treated differently; loans are interest-free but carry a service charge, while investing is on a profit-and-loss-sharing basis; and 3) value erosion of capital due to inflation is compensated.

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a **balance of economic, environmental and social imperatives**, while at the same time addressing the expectations of shareholders and stakeholders.

Key CSR issues are environmental management, eco-efficiency, responsible sourcing, stakeholder engagement, labour standards and working conditions, employee and community relations, social equity, gender balance, human rights, good governance, and anti-corruption measures.

Source: UNIDO website.

The project design did not explicitly address social safeguards such as gender equality, child labour or social equity. However some were implicitly touched on during project implementation. The use of child labour was not listed as a criterion for companies to be denied participation in the project, but in fact the UMU appears to have excluded some companies because of this. It would have been more transparent for the UMU to have put this as a condition in the company selection/exclusion criteria. Similarly, the evaluation noted the UMU management's support for companies headed or co-headed by women and those that employed people with disabilities or actively CSR, but these social aspects were neither included in company selection criteria nor documented. Though in general, Syrian companies have not adopted notions of corporate social responsibility at the level now expected in the global market place, advice from the visiting experts may have encouraged some pilot companies to understand and act on these principles.

Asseel, an I'MUP pilot company with 450 employees, has adopted many CSR practices at its own initiative. Its factory is clean and well lit; it offers on-site child-care and canteen services for its staff; it employs persons with disabilities in its workforce; and finds jobs in the company for Palestinian refugees; its key management staff are female; and the majority of its employees are female.

The evaluation team observed that in general women employed in the companies³⁰ were allocated support tasks in the production chain such as stretching and folding garments and working in largely segregated areas of the workplace. The evaluation met only a very few in other positions, usually doing reception or secretarial work, and only in one or two companies carrying out administrative functions (usually because they were of the owner's family).

In the Upgrading Unit itself, there is a good gender balance. Women account for nearly half of the UMU staffing, and hold an equal number of positions (as men) at management, operational and support staff levels -- a good model for working with the garment and textile companies. The gender balance among the international

³⁰ At least one company visited by the evaluation team employed only men while in other companies the majority of staff were women.

experts was not as good; female experts accounted for only 24% of the experts used by the project. Only two female national experts were employed by the project, out of nearly 20; though one of these, the main financial consultant earned widespread respect from the pilot companies.

4.3.4 Effectiveness and results

The extent to which the I’MUP has achieved its expected results so far, is varied. This is partly to be expected given the time constraints on this project. Focussing on the textile and garment sector was considered by a range of national stakeholders as the key success factor, enabling highly specialized and customized support to be delivered to companies, business services providers and policy-makers. Most of the interventions under the upgrading sub-components are on the right track to achieve what they set out to do, such as developing the National Programme for Industrial Modernization with a financial scheme at macro level, establishing an Upgrading Unit and upgrading the pilot companies at meso and micro levels.

It was still not clear whether subcomponents such as Textile Strategy and Investment Promotion would meet their aims before project end. This imbalance has not yet therefore allowed for the effects of the mutual reinforcement of the different interventions as intended in the original Integrated Programme design.

This section will now note the results that were intended in the first phase of the Upgrading Programme and assess their achievement in the three main project areas of Upgrading, Textile and Investment.

Intended results

The project objectives, outputs and achievement indicators and their later adjustments, as set out in the 2004 Project Document and 2007 Inception Report, are shown below.

Table 10: Comparison of objectives and results expected 2004 and 2007

<p>Project Objectives - 2007 Inception Report</p>
<p>Building National Capacity in the field of industrial restructuring, modernization upgrading both at government and private sector levels</p> <p>Modernization and upgrading of 40 pilot–enterprises.</p> <p>Formulation of a National Programme for industrial modernization and upgrading including a financial scheme</p>

Project Objective – 2004 Project Document

The objective of the modernization/upgrading programme is to support the process of recovery and development of industrial productive capacity with focus on the textile industries to strengthen capacities of support institutions, to facilitate market access, and to increase growth of industries, export and employment and foster integration in the context of economic and trade liberalization

OBJECTIVE	SUCCESS INDICATORS	RESULTS
Source: 2007 Inception Report (changes from 2004 Project Document are noted)	2004 Project Document	
Immediate Objective 1: Formulation of a National Programme for industrial modernization and upgrading including a financial scheme.		Objective well advanced through program, now part of government plans
Output 1.1: National Programme for Industrial Modernization / Upgrading formulated, including proposal for funding mechanisms and instruments	1 Program Coherence and Effectiveness 2. Number of SMEs making use of the available finance schemes	Output produced of a high standard. Success indicator 2 refers to impact-outside scope of output which only at proposal stage
Output 1.2: Subsector strategy for the development of the textile industry (focusing on weaving finishing and garments sectors) developed based on value chain analysis	An action plan for the sub-sector	Output not produced
Immediate Objective 2: Building National Capacity in the field of industrial restructuring, modernization and upgrading both at government and private sector levels		Early but real beginnings of achieving this objective seen in the early impact on pilot companies

<p>Output 2.1: Strengthening of the Ministry of Industry through establishment of an Upgrading and Modernization Unit</p> <p><i>(Changed from Project Document) 3.1 Capacity of the Ministry of Industry strengthened in industrial modernization and upgrading)</i></p>	<p>Establishment of a functional Upgrading Modernization Unit (UMU) with the Ministry of Industry</p>	<p>Output achieved to a high standard given the limitations of a shortened Phase I but consolidation needed.</p>
<p>Output 2.2 Strengthening of the Investment Office and Department for Private Sector in Investment and Technology Promotion <i>(Rephrasing Project Document 3.2 Capacity of the Investment Office and the Department for Private Sector strengthened in investment and technology partnership promotion Placed on hold in Inception report)</i></p>	<p>SMEs' access to foreign partnerships (technology, joint venture, market access)</p>	<p>Output (as revised by combining with output 9 below) not achieved being cancelled by the steering committee.</p>
<p>Output 2.3 National Consultants trained on upgrading techniques (elaboration of strategic diagnosis, evaluation of upgrading / follow up)</p> <p><i>Changed from Output 4 of Project Document: 100 National consultants including high level staff from industrial support institutions (Banks technical and management development centres, Business Associations) trained on upgrading methodologies techniques and related software PGAROS, Produce-Plus, COMFAR, etc.</i></p>	<p>Use of local capacities in the modernization programme and the application of well tested methodologies and software tools</p>	<p>Output achieved to moderate standard.</p> <p>Success indicator would better be more local consultants being paid realistic fees by companies for expert advice.</p>
<p>Output 2.4 Strengthening capacities of Textile Technical Centre in Aleppo including existing facilities within the Ministry of Industry</p>	<p>Enhanced productivity and competitiveness of SME enterprises in the textile sector</p>	<p>Output not achieved</p>
<p>Output 3.1 Diagnostic Studies and upgrading plans for a maximum of 40 enterprises</p>	<p>A maximum of 40 enterprises selected for upgrading and</p>	<p>Output achieved. Better success indicator would</p>

formulated.	further technical assistance	be acceptance by companies of the need for diagnosis as seen in opening their books
Output 3.2 A minimum of 40 enterprises in the textile sector upgraded (intangible investments)	Increase in sales, export, employment, and investment	Output achieved but in early stages. Too early to use this success indicator, so far anecdotal evidence is of increased productivity and cost savings.
Output 3.3 15 enterprises assisted for ISO certification	ISO Certificate obtained	Output not achieved and was cancelled after company needs assessment
Output 3.4 Investment and technology partnerships promoted (tangible investments)	Minimum of 15 investment and technology partnerships promoted	Output not achieved

Effectiveness of upgrading

The Upgrading and Modernization Unit

The UMU has played a double role: i) as a part of the project intervention in strengthening the upgrading capacity of the Ministry; this role is evaluated in this section of the report where the UMU's management capacity is seen as a key output of the First Project Phase; and ii) as the execution Unit of the I'MUP in Syria (carrying out promotional, confidence building, and logistical tasks: training local consultants, co-ordinating international experts, diagnosing companies' needs and delivering expert inputs and follow up). Evaluation of this latter role is treated in section 4.3.5 Efficiency and Project Management (p48).

The Upgrading and Modernization Unit has helped build the Ministry's upgrading capacity by providing selected Mol staff with a direct experience of carrying out industrial upgrading, working directly with companies while learning techniques

from international and national experts. The physical location of the UMU away from the buildings housing the rest of the Ministry gave it autonomy and enabled it to respond flexibly to the pilot companies and so win their trust. It also demonstrated that a public-and-private-owned entity can provide quality impartial services to Syrian private companies.

The physical separation had one disadvantage in that only a small number of Ministry personnel were fully exposed to the upgrading concept in practice. This could be overcome by setting up a process (with defined management accountability to see that it happens to the required standard) to regularly disseminate within the Ministry the experience, methodologies and lessons learnt from the I'MUP.

The Unit gained respect among Syrian companies and partners for the fair and transparent selection of pilot companies to take part in the project. Rumours had circulated that companies would be chosen because of their contacts in Government, but the even-handed selection of companies based on clearly communicated criteria and a sound coding method gave the project high credibility.

At the time of the evaluation mission in March 2009, the UMU was virtually fully functional. The Unit was headed by a National Technical Coordinator, supported by a full-time Chief Technical Advisor based in Damascus and a part-time non-resident Senior Technical Advisor (STA) -- the same person had been the first project CTA, on a part-time basis. It is significant that a national professional was appointed to head the Unit, instead of an international specialist as in the 2004 project document. This is in line with the aim of the 2005 Paris Declaration on Aid Effectiveness to strengthen national capacity by encouraging local management of development work on the ground³¹.

However, not all the ingredients for an effective Upgrading Unit are yet in place. There is a 'manager' vacuum in the Unit's management structure: the NTC, CTA and STA being all described as 'technical' and nobody actually defined as exercising a management role. As a result, the UMU's services to client companies and to international and national consultants have not always been optimal, especially in the area of communication and coordination. The UMU did not seem to have a reliable system to advise companies of expert arrivals: 30% of the companies commented that the Unit had given them insufficient time to plan for the experts' visits. International consultants complained of inadequate logistical planning for their visits: two international consultants were not met as promised at the airport on arrival and hotel accommodation was booked for them for the wrong

³¹ The first principle of the Paris Declaration on Aid Effectiveness is: "developing countries must lead their own development policies and strategies, and manage their own development work on the ground. This is essential... (for).. truly sustainable development. Donors must support developing countries in building up their capacity to exercise this kind of leadership by strengthening local expertise, institutions and management systems

dates. Some national consultants said they were given too short a notice of two or three days for their assignments.

While some criticism of the UMU by companies was justified, other criticism arose from high expectations not being met and reflected a lack in the UMU of a proper client communication policy and practice -- and the required staff training. It also arose from wider issues such as the diagnostic visits identifying inputs needed by the companies, but the UMU not being able to say clearly that they would be delivered because it was not sure it would have the necessary budget to do so. This was a bi-product of detailed budgetary control being centralized in Vienna rather than at local level.

Some of the difficulties also arose from the fact that committed and well educated as they were, the seconded staff were generally young and had spent their working life so far within a public service bureaucracy. It will take some time before they will have sufficient expertise to be credible interlocutors with experienced managers of client companies. Until then, these companies expect communication to be conducted from the higher management level of the UMU.

In general what the UMU lacks is a "private sector mentality" where management and staff understand what their customers need and have the disciplines and systems to meet those needs. The UMU should aim to act as a working model to the companies in the production, marketing and HRM skills that it aims to provide to them. Perhaps the UMU could have benefited from the same attention from international experts that it facilitated for the companies.

Training national consultants

Syria's national commercial capacity as a whole was moved forward by the first step of building a part of the private sector which had been relatively unknown in Syria, namely a profession of management and business consultants able particularly to assist small and medium enterprises. In total, 52 national consultants were trained in production, marketing, finance, HRM and UNIDO's diagnostic and upgrading approach over a five-day training course in late 2007. The target of training 100 consultants was not met as less than that number of suitable candidates applied for the course.

This major training event for the consultants attempted to do a lot in a short time. As a standardized course it was useful to some; but to the more experienced it was repetitive. Some of the recommendations by the UNIDO trainer meant to leverage more from the course (establishing a "cell" within the UMU to build greater capacity in the consultants, placing course documentation on the project website) were not followed up, as the UMU had other start-up priorities. The project employed 20 Syrian consultants (plus three UMU staff) to support companies on their own, or together with international experts. They were used by the project to assess company needs, accompany international experts to companies or follow up the application of international experts' recommendations by pilot companies. A further

ten consultants used by the UMU had not done the training course and were recruited separately.

The evaluation's survey of pilot companies showed that 30% of the companies considered the quality of national experts as excellent, 62% average and 6% poor. The national experts were generally rated lower than international experts by the companies. (Anecdotal evidence in about a third of the interviews could lower that quality estimate further.) A notable exception was a financial consultant (one of the only two female consultants), who worked independently without an international expert and earned widespread respect.

Companies tended to see the international consultant as the main value added of the I'MUP and this may have restricted the opportunity for national consultants to demonstrate their expertise. However some international consultants reported in a few cases that translation ability and English report writing skills of the national consultants were inadequate. After the visits the Upgrading Unit sought feedback from the companies, and as a result at least four national consultants have been identified as unlikely to be hired again.

Enterprises upgraded

The project aimed to assist 40 pilot companies but after verification visits by project staff, only 33 out of the 70 companies that applied met the selection criteria. The project also supported three public companies. The characteristics of the pilot companies and the level of support they had received up to February 2009 are found in the following table.

Table 11: Characteristics of 36 selected pilot companies

Size of companies		<i>No. of companies with staff</i>			
Average no. of staff	198 staff/ company	less than 25: 4	between 25- 100: 15	between 100-200: 8	more than 200: 9
		<i>No. of companies with annual revenue in 2007 (US\$)*</i>			
Average annual revenue in 2007 (US\$)	2.9 mil*	less than 1 mil: 12	between 1-2 mil: 5	between 2-5 mil: 8	more than 5 mil: 4
No. of companies by sector		10 textile	26 garment	33 private	3 public**
Location of companies		9 in Aleppo	21 in Damascus	4 in Hama	2 in Homs

		<i>No. of companies receiving support from the project</i>			
Support received from the project against plan (%)***	60%/ company	Less than 40%: 15	50-75%: 11	80-100%: 15	No support so far: 3
Average days of international experts	7 days/ company				
Average days of national experts	7 days/ company				

Source: UMU.

Note: *) Information is not available for 7 companies. **) The average number of staff of the three public companies is 1130. ***) By February 2009.

The upgrading needs of each pilot company were first diagnosed by the international and national experts. Based on these assessments, international and/or national experts were sent to the company to provide advice. The diagnostic reports indicated five areas of upgrading need: 1) production, 2) marketing, 3) cost-accounting (finance), 4) environmental management, and 5) human resources management (HRM). Most pilot companies gave priority to the first four areas. HRM assistance was delayed until mid-2009, and was not included in this evaluation.

According to the evaluation survey, 84% to 93% of the pilot companies found the project's support in production, marketing and cost-accounting either relevant or highly relevant to their needs. Production and marketing improvement were seen as the most important. After considerable caution in the early stages, cost-accounting was much valued by 84% of the participating companies who, often for the first time, understood how to cost their products.

Only 50% of the beneficiary companies (mainly dye houses) considered environmental management assistance important, though it was clear from interviews that their minds had been alerted by the Government's threat of closure for not complying with environmental standards (the dyeing process has a serious impact on local water sources). Some attributed the fact that they had complied and so avoided closure, to the UNIDO experts' recommendations.

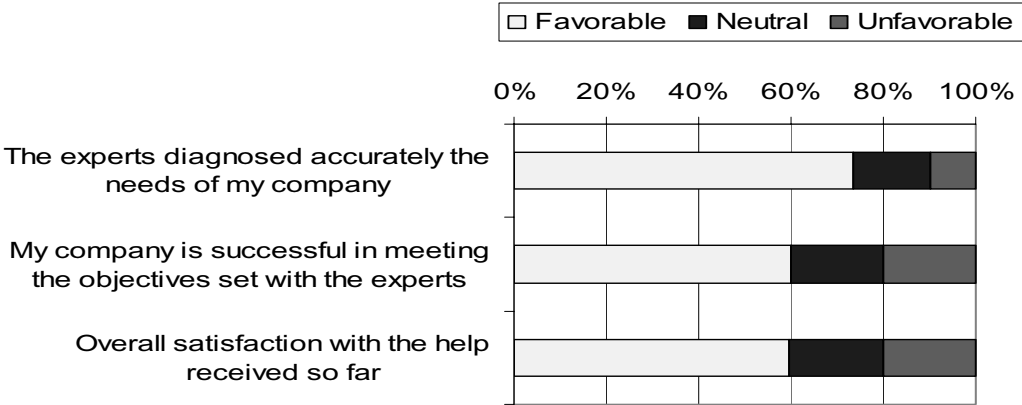
90% of the pilot companies felt that the UNIDO experts had accurately diagnosed their needs and potential. In some cases companies already understood their problems, but did not know how to solve them. In other cases companies had both pleasant and unpleasant surprises as they learned more about the performance of their companies against objective benchmarks. The I'MUP had gained the trust of most companies in encouraging them to open their account books to the finance experts.

80% of the companies were satisfied with the support from the project and 80% believed that their companies were successful in applying the experts' recommendations.

The companies tended to divide recommendations into two categories: i) practical, low-cost and quick in delivering results; and ii) requiring long-term and more costly investments in equipment, technology or infrastructure.

Generally, companies were applying the low-cost recommendations right away and needed external capital (loans from banks or credit scheme) to implement the more costly ones. The project had a good strategy of advising improvements that would show quick results, thus building confidence in the companies both to use the UMU services, and make longer term investments in their businesses.

Figure 2: Satisfaction from the pilot companies



Source: Company survey by the evaluation team, February 2009.

Within the six months from October 2008 to February 2009, each company on average had received 60% of the expert time planned for them -- equivalent to seven days of international experts' and another seven days of national experts' time. Given the limited expert inputs and short implementation time, the outcomes achieved at company level were impressive, as indicated in the table below. Based on anecdotal and self-reporting from the companies, outcomes from the project support were: i) improved production methods and marketing; ii) efficient production planning and systems; iii) accurate product costing through new accounting software; iv) marketing and presenting of products in new ways (websites, catalogues, samples), v) better understanding of overseas or emerging domestic tastes, vi) using branding techniques; and vii) introduction of new products and new design collections.

Table 12: Key outcomes from the pilot companies

<i>Changes in business processes as a result of the project assistance</i>	<i>% of companies</i>
Improving production methods	91
Improved/new practices in marketing planning	62
Improved marketing and promotional activities	55
Measuring costs accurately by using Excel product costing system	56
Adopting energy and cost saving measures	33
New techniques in design and product development	47
Launching new/improved products and collections	50

Source: Company survey by the evaluation team, February 2009.

In the interviews with the evaluation team, many companies raised the need for expert follow-up to ensure that they were applying the experts' recommendations correctly, and to see if further changes were needed. To date the Upgrading Unit has sent a senior national expert, usually the technical consultant working with the Unit but at times members of the senior technical team (NTC and CTA), to visit companies, as the main follow-up to the international and national expert visits, but it was clear this was not satisfactory.

What was expected from follow-up visits differed from one company to another. Some requested a longer return visit by the international experts. Others wanted a visit within a month or so after the experts' visits, by someone who could review their recommendations and discuss the obstacles to implementation. In some cases the original advice had been only half understood at the time of the earlier visit and it was felt that a further visit would double the value of the first.

At very least, managers needed follow-up reassurance and encouragement from someone very senior from the UMU. After the vision and stimulus of the experts visits the manager could find himself on his own wrestling with major changes in his workplace -- leading in some cases to workforce discontent -- and the need to adjust his own role and working style.

The UMU was at the same time grappling with how to deliver effective follow-up. The visits were intended to monitor the actual implementation of the international experts' recommendations but the UMU still needed to develop monitoring skills and tools to do so. A monitoring sheet was compiled for each follow-up visit based on the suggestions that the international expert had made in the report on that company. In some cases it was clear to see the results -- for example whether accounting software was being used - - but other impacts were less apparent. The follow-up visitor had to have a sense that the owner/manager understood -- and was committed to -- the actions that had been recommended. At the time of the evaluation visit, the UMU was planning an increase in monitoring carried out by its staff, to three visits to each company before the end of 2009 and more if requested. Estimates at that time were that about 15-18 out of 33 companies

would continue into a second phase (if one is financed) and if so both upgrading implementation and its monitoring would improve.

The concerns about follow-up were linked to the problem felt both by the UMU and by the beneficiary companies, as to what was realistic to expect from the expert visits and UMU support. Because of uncertainties about resources available to it, the UMU could not always be sure what could be promised in terms of the length and timing of the expert visits. To many of the companies the provision of high quality advice was a novel experience, and as noted, expectations were sometimes over-inflated. The companies' representative bodies, such as the Chambers and Syrian Textile and Garment Exporters Association could play a greater role in mediating these expectations.

The project design foresaw the need to assist 15 companies for certification. Only a few pilot companies requested locally available certification services, and the UMU staff put them in direct contact with the local certifiers.

Effectiveness of textile industry strategy

Strategy for textile industry

In view of the fierce competition from low-cost Asian textile and garment products both at home and abroad this was an important sub-component. Following a series of trade agreements³², Syrian textile and garment companies needed a guiding strategy to build skills and upgrade production, backed by a business environment supporting their capacity to compete.

A proposal for a Strategy and Action Plan for developing the Syrian textile and garment sector was prepared by a Swiss consulting company contracted by UNIDO, and discussed with national stakeholders at a workshop in January 2008.

However the contents of the Strategy did not meet the stakeholders' expectations, and they criticised it for lack of adequate structure, logical flow, and benchmarking the Syrian textile value chain against competitive countries. In addition, the value chain analysis prepared under component 1 in 2004 and used by the consultants as the basis for their report, was seen as outdated by many of the stakeholders. It short it did not give them the strategy they needed especially in the fast changing economic situation in Syria of late 2008 caused by the global crisis.

While the consultancy company revised the strategy several times, it did not manage to make the improvements that the stakeholders were expecting. The

³² The Uruguay Round Agreement required the EU to end by 2005 its 1977 agreement with Syria (whereby Syrian products entered the EU market without duties) unless Syria joined the free trade area proposed by the Euro-Mediterranean Partnership Agreement. This Agreement in early 2005 slightly alleviated the pressure on Syrian companies as the EU would slowly phase in Asian exports, thus giving Syria breathing space to modernize its garment and textile industry. Further pressure on the Syrian textile industry was also created by the Syrian Government's decision at the end of 2005 to allow textile imports (though with a tariff) in what hitherto had been a protected market.

objective was therefore not met of having a product, marketing, and industry growth strategy with objectives and principles appropriate for both the current international competitiveness and the longer term viability of the subsector.

Strengthening textile support centres

At the time of the evaluation not much has been achieved under this intervention. The staff members of the Clothing and Textile Development Centre (TDDC) in Aleppo had been trained in October 2008 for one week in clothing design by an international expert, and a list was developed of training needs, equipment and software to upgrade the centre.

This intervention had a low level achievement for three main reasons:

- i) Several changes were made in the project design during implementation. The Syrian counterpart requested the project to extend support to the Damascus Institute for Textile Industry (DITI) in Damascus in September 2007, apart from the CTDC in Aleppo, and to a Textile Technical Testing and Certification Centre in April 2008.
- ii) It took a long time (more than one year) for the Syrian public and private sectors to agree on the centre's location in May 2009.
- iii) In 2008 the six-month lapse during the changeover in one UNIDO project manager position delayed decision making.

A study to establish the Textile Technical Testing and Certification Centre was prepared in February 2009 and endorsed by the Government and the private sector in May 2009. This included a proposal for the centre's most suitable location, its institutional and organizational structure, a technical plan and a financial plan. It is unlikely that the project will achieve all expected results under this intervention by its completion in December 2009.

Effectiveness of investment promotion

Companies assisted in investment partnership promotion

Only 16 out of 36 pilot companies were interested in investment promotion and only ten of these had sufficient financial data to prepare investment profiles to discuss with potential investors or alliance companies. Furthermore, given the lack of reliable data, out of the eleven proposals (one company submitted two), only two could be prepared using UNIDO's sophisticated electronic Company Project Profile format. The other proposals were set out in Microsoft Word, making their promotion through UNIDO's network of Investment Promotion and Technology Offices more problematic. Concrete activities to promote these proposals have not yet started and it is uncertain whether any result can be achieved before the project's end, given the time it normally takes to find an investor and set up a working partnership.

The low achievement of this intervention so far, was caused by several reasons: i) a major intervention of the project -- strengthening the Investment Office and Department for the Private Sector, in investment and technology promotion, was cancelled by the Steering Committee in October 2007; ii) frequent changes of UNIDO project managers (three managers in two years); and iii) insufficient pro-activity by UNIDO project managers: the first activity started only in July 2008, nine months after the SC's decision, and no follow-up activity took place after the eleven proposals were prepared in November 2008.

In addition, other donors had already operated investment facilities in Syria for a longer period of time with much larger resources. The European Union implemented several multi-million projects promoting investments between European and Mediterranean countries such as Syria. These included: the Syrian Enterprise Business Centre established and supported by the EU since 1996; the INVEST-in-MED Programme 2008-2011, and the Facility for Euro-Mediterranean Investment and Partnership, operating since 2002.

4.3.5 Efficiency and project management

Most of the interventions of the Upgrading sub-component represented good use of the resources invested, but some inefficiency was apparent in the timeliness, structuring, co-ordination and quality of the resources used.

Timeliness

The National Programme for Industrial Modernization was prepared, discussed with national stakeholders and finalized within a short period of time of two months from August to October 2007. Similarly the credit scheme proposal was prepared and endorsed rapidly by the Syrian Government. The high quality of UNIDO international experts was acknowledged by both Syrian and Italian stakeholders and the relatively low cost of €70,000 for the design is seen as cost-effective. The same cannot be said however for the textile industry strategy proposal which took eighteen months to develop with a resulting product that was not acceptable to the national stakeholders. Despite their earlier high standard work, the consultants failed to understand the scope of the revisions that were needed and the relevant project managers had inadequately supervised the consultant's contract.

The project interventions could have been sequenced in a more optimal manner. At macro level, one of the first project activities was to prepare a proposal for a National Programme for Industrial Modernization and Upgrading in September 2007. At micro level, company upgrading did not take place until mid 2008 which meant that this Programme proposal could only take into account UNIDO's experience in Tunisia, Egypt, Morocco, Algeria, but could not reflect the I'MUP experience of upgrading Syrian companies. The causes -- in the project's tight two-year time frame -- included the delay by the donor in releasing funds which slowed down the UMU's activities from June to September 2008 and the delays on the side of the Ministry of Industry in releasing UMU staff.

One of the aims was to have each UMU staff member cover each area of specialisation: finance/cost-accounting, marketing and production. The first two positions were filled by seconded Ministry of Industry personnel; the latter post was eventually staffed by a former Director General of the Syrian General Organization for Textile Industry. The project support staff (administrative assistant, messenger and driver) started working at the end of 2007 and beginning of 2008, but the operational staff members (production, finance and marketing officers), who were key to project implementation were not fully released from the Ministry till 18 months after the project's start-up.

The activities aimed at strengthening the two textile support centres were much delayed. Although the analysis and proposals from the international experts were sound and had been endorsed by the national stakeholders, delays occurred because of local policy issues around the status and location of the institutions to be supported, as well as a lack of pro-activity on the part of the UMU and the UNIDO project managers during the period of UNIDO staff changes.

Delays also rendered inefficient the work to plan the investment partnership promotion. Because the upgrading inputs to the companies were greatly delayed particularly in the area of financial and associated IT skills, most companies, by early 2009, had only just begun to develop sound financial data and use cost accounting software. More experience was needed before they could begin to use the relevant UNIDO software programmes. As a result and as already mentioned, only two proposals were developed.

Management structure³³

The project has a well functioning governance structure in a Steering Committee (SC) consisting of representatives of both public and private sectors in Syria, the Italian Government and UNIDO, and a consultative committee of experts. The Steering Committee, chaired by the Minister of Industry, met every six months and discussed project progress and obstacles, and made key decisions. The project benefited from this hands-on involvement of the national stakeholders, especially the Ministry of Industry and the Aleppo and Damascus Chambers of Industry as well as the national experts on the consultative committee.

Faced with implementing a project after a gap of three years from the project document being written, the project management developed -- six months after the project began in September 2007 -- the useful management tool of an Inception Report approved by the Steering Committee. This clarified the project's expected results³⁴, the management mechanisms, the role and composition of the SC, the number of project staff to be released from the MoI and a detailed work plan to be used as a reference point for coordination among the implementing partners.

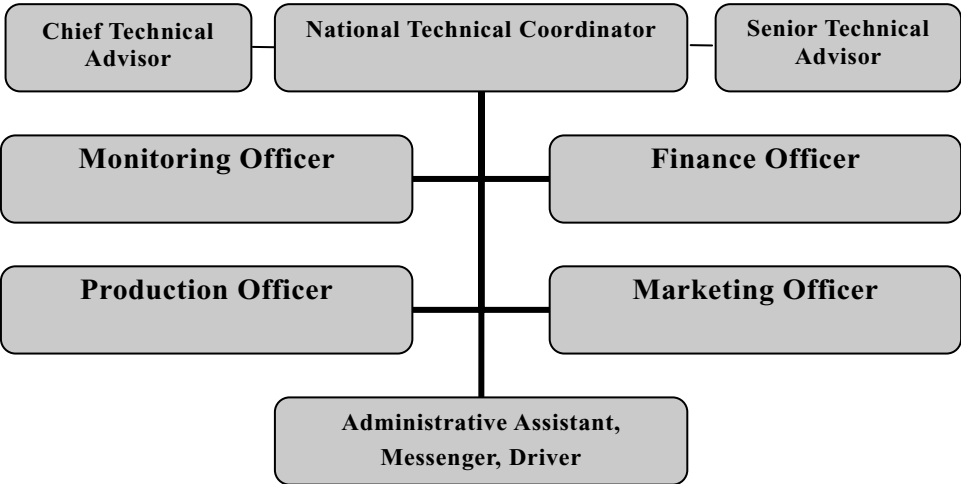
³³ As earlier noted, the effectiveness of the management capacity of the UMU as an output of the project is assessed in section 4.3.4.2 (p 40). Some of the evaluation findings are relevant to both issues and are referred to in both places.

³⁴ Refer table in effectiveness section.

The UMU, as the project implementation unit on the ground, monitored the application of expert recommendations and sent usually its most senior technical officer to follow up on the expert’s visit. However the lack (in the project design) of indicators to measure results (for example: What constitutes an ‘upgraded company’?) meant the project was not able to demonstrate evidence-based results to its stakeholders.

There were four operational staff from the Mol – young, well educated and committed – who were responsible for monitoring, finance, production and marketing³⁵, and three support staff. These are shown in the figure on the following page.

Figure 3: UMU organizational chart



In the view of the evaluation team, the size of the UMU management (one NTC, one full-time CTA and one part-time STA) was too big for a Euro 2.2 million project. In addition and as referred to earlier, all three management positions have a ‘technical’ instead of ‘managerial’ function, so there has effectively been a management vacuum and confusion of roles and responsibilities within the UMU. From the experience of many UNIDO projects, it is not efficient to have day-to-day management functions exercised by international personnel on a long-term permanent basis. If exercised at all, they should be designed to be rolled back as national management capacity increases.

At the UNIDO HQ level, project management was sometimes diffused. The Lead Project Manager was given the responsibility but insufficient authority to coordinate

³⁵ The marketing officer is working on part-time basis.

the UNIDO team of project managers. Some project managers appeared to manage their sub-components as stand-alone projects, without consulting the Lead Project Manager or other team members

Coordination

For the I'MUP to work a large number of agencies, individuals and interest groups, as well as different divisions of UNIDO needed to be brought together in various arrangements of co-operation. Much of the required co-ordination did occur but there were also gaps that were not successfully bridged and caused difficulty for project implementation.

The cost-sharing arrangement between the MoI, the Chambers of Industry of Aleppo and Damascus, and the Project to finance the UMU's staff and premises maximized the investment by the donor. As a result and after a slow beginning the UMU national technical co-ordinator and advisers had sufficient human and physical resources to get started. This public-private partnership to invest resources also motivated the national stakeholders to use their networks to promote and support the Programme

The coordination between the management of the project exercised in Syria by the UMU and the management exercised in UNIDO HQ while achieving a great deal (as recorded in the steering committee minutes, and the mission reports by HQ staff and visiting experts) was at times inefficient. It appears that the project managers of the textile and investment promotion sub-components sometimes saw the UMU staff as working only for the Upgrading sub-component, although they were meant to work for all three. For a period, UMU staff monitored and reported only on the progress of the Upgrading sub-component as they were not kept informed of the progress of the other two sub-components.

At times, coordination between the project management in the field (the UMU) and the project management at UNIDO HQ was inefficient. As the UMU was often considered as the implementation unit only for the Upgrading sub-component, UNIDO project managers of other sub-components did not consult appropriately with the Unit. At times UMU staff was not aware of UNIDO HQ decisions and did not know how to deal with questions from national stakeholders. For its part, the Unit did not always inform project managers on the progress and priorities of the sub-components locally.

Co-ordination, or its lack, could be seen in the timeliness with which the allocated budgets were spent. The Upgrading sub-component was efficiently implemented without too much delay and is on track to reach most of its objectives. However the Textile and Investment Promotion sub-components were behind in the use of their budgets, having spent only 42% and 30% of their budget respectively by the time of the evaluation.

It is noteworthy that the current project managers have made efforts to improve coordination with each other, sometimes deciding to make use of the same

consultants. The coordination between UNIDO HQ, the national stakeholders and the Italian partners based in Syria has also been strengthened recently, thanks to the involvement of the new Beirut-based UNIDO Representative.

One HQ project manager spoke of the difficulty in organizing an expert visit to one of the Syrian technical centres. He informed the UMU of the projected dates, but the CTA advised that a visit was needed more urgently because some of the planned activities had been moved forward. To save time, the project manager had the international expert contact the technical centre directly to arrange the earlier time. The technical centre director contacted the UMU National Technical Coordinator who in turn informed the HQ project manager that this approach was too precipitate and the procedure required the expert's Curriculum Vitae first to be submitted to him. Not too much should be made of a single incident but the vulnerability of a system which splinters a simple timetabling decision between at least two managers at HQ and two management personnel at local level needs to be addressed.

Quality of personnel

International experts

There was little doubt that the success of the core upgrading inputs to the companies, and in many ways of Phase I of the Upgrading Project itself, was due to the decision to choose international experts of the highest order. Syrian and Italian partners attested to this and virtually all the companies acknowledged the high standards and professionalism of the international experts. The textile and garment experts' specialization and experience were seen as key to the project's success. Where there was less enthusiastic feedback it was often, in the opinion of some of the international experts, because the company -- though diagnosed as needing, say, marketing advice -- had not yet understood the connection between marketing and their current low profits.

The project has also made efforts to increase efficiency by recruiting regional experts from Egypt, Jordan and Tunisia who could communicate directly with company personnel in Arabic, and whose fees and travel costs were low by comparison. The quality of the regional experts was also of good standard.

The reports diagnosing the needs of the companies were discussed and shared with them within an overall reasonable, though not speedy, time-frame. There were however too many delays before international and national experts were sent to companies to help them upgrade their production, marketing and cost-accounting practices. This delay seems to have been partially caused by the late (six months) release of funds from the Italian Government.

A number of companies felt that the investment of money and time from the project and from themselves could have had higher value if there had been appropriate follow-up support at an earlier stage (e.g. within one month) after the expert visits. A further inefficiency noted was that the diagnostic reports and the specialist reports were provided in English with the consequence that it often required time

and expense to have them translated, or they were often read by an insufficient number of people in the company.

Questions also arise about whether some of the inputs delivered through visits of an international expert to individual companies could have been carried out more cost effectively by delivering the training to companies in groups. This format was used successfully by one international production expert in two marketing workshops involving five companies in the dyeing and textile finishing subsector. The objective was to introduce marketing concepts and strategies to companies traditionally oriented to production. Product development was then discussed as arising from assessing market needs.

National consultants

The national experts (also known as the national consultants) were beneficiaries of the project but also -- once trained -- partners in implementing it. The training of national consultants was efficiently organized: the participants being tested at the end of the training courses, and those with the highest results being selected to work for the project. The cost-sharing arrangement worked well: participants paid their own expenses during the five-day courses and the project paid for the training, facilitators and venue.

Some participants had high employment expectations after participating in the training events, and the UMU could have better managed these expectations by better communicating to the participants both the purpose of the tests and the realistic chances of subsequent employment as consultants. The participants praised the quality of the international trainers but generally remained neutral about the national trainers. The evaluation team observed that the international consultants were preferred over the national consultants both by the national trainee consultants and by the pilot companies. The exception was the principal financial consultant, a Syrian national.

The support role that most of the national consultants played with respect to the visiting international consultants was designed to maximize the high investment of bringing these consultants to Syria. While much useful expertise clearly “rubbed off” onto the national consultants from their working with the internationals, it appeared from the interviews with both national and international consultants that the learning potential of the relationship was not always optimized. National consultants’ capacity could have been strengthened in a more efficient manner if the training emphasis had been on the coaching by the visiting experts, instead of on the one-off training course, which for many consultants took place a full year before they began working on the project. Inefficiency here was that the course material³⁶ had not been translated from French to Arabic or English and could not be fully used.

³⁶ *“Formation pour la réalisation du diagnostic de restructuration et de mise à niveau”.*

Investment of resources in national consultants therefore was not seen as efficient. The problem was also one of low expectations from the recipient companies and variable quality among consultants, with consultancy being as yet an unfamiliar activity in Syria, and not yet recognized as a profession.³⁷

UMU management

The Unit was promptly established in early 2007 but its staff capacity was built up only gradually. At the beginning, there was only the National Technical Coordinator, and one full-time and one half-time operational staff member seconded from the MoI. The National Technical Coordinator has been widely acknowledged for his networking and credibility with the companies, the Government and representatives of the private sector.

The evaluation team also noted widespread respect for the work of the Senior Technical Advisor and her significant contribution to the success of the project through sound strategic thinking technical knowledge and good communication skills. She then became the project's Senior Technical Advisor when the full-time resident CTA was recruited in April 2008 at the Italian Government's insistence and in line with the official project document³⁸. The CTA provided important structure to the financial administration at the time when the major expenditures on expert visits to companies was gathering momentum.

4.3.6 Sustainability

Looking at the Industrial Modernization and Upgrading Programme overall (including the associated financial scheme), and its impact at the macro level, it is reasonable to assume that with its contribution to the eleventh 5-year plan and the visible operations of the UMU, the benefits of the overall Programme will continue beyond the project phase. Given the endorsement by the Syrian Government and the approval by the Italian Government of the financial scheme, it is expected that the scheme will have the support of the relevant partners to make it work. However both the sustainability of the plan and the proper working of the financing scheme will depend on the continued effectiveness and credibility of the UMU.

The UMU has functioned well, yet it is extremely unlikely that it can operate autonomously at the extended date of project completion at the end of 2009. Although the MoI and the Aleppo and Damascus chambers of industry have financially contributed to the UMU, major financial resources for the UMU's management and upgrading activities still come from the project.

³⁷ There is a need for bodies representing consultancy professionals to set and enforce quality standards.

³⁸ The project document expected an international specialist rather than a national, to head the Unit.

In terms of technical capacity, it will take some time before the Unit's operational officers -- given their short period of work with the project so far -- have sufficient expertise to provide upgrading services to companies. And in the case of the financing scheme, if the UMU is to take a significant role, it will require new staff skills.

It is also not clear from steering committee decisions so far, as to what form the UMU will eventually take, whether as a division of the Ministry, an outreach centre effectively managed by the Ministry, or a public - private partnership together with the chambers and other private sector bodies. (Models in other countries could also include privatization wholly or in part). These decisions will affect the criteria for assessing the long term sustainability of the Unit and the evolution of the governance structure.

Benefits from training and coaching national consultants on upgrading techniques are likely to be sustained beyond the project. Syria's consultancy profession is still in its infancy and it was clear from the interviews that small Syrian companies, are not accustomed to assessing the cost-benefits of hiring consultants, though the partial (10%) payment demanded by the project -- and actually experiencing expert input -- opened eyes to the concept. One company hired the international expert that had been sent by the project. Another said it would pay 50% of an expert's fees; three companies had contacted their experts after the assignment ready to pay them for further services; other companies said they would pay in line with visible effects on their productivity and profit.

Once this concept is fully grasped, a functioning Business Development Services (BDS) market is possible (which will also assist in the longer term commercial income that the UMU may be able to generate as a BDS provider itself). The evaluation was advised that because of the current limited demand for consultants in Syria, the fees solicited by the good consultants were unaffordable, while the quality of the lesser charging consultants was inadequate. Deployment of regional consultants, e.g. from Lebanon, may in the future help create some competition in the local market.

Most of the 40 companies that were diagnosed and upgraded, believed the impact of the expert advice would continue beyond the end of the project in December 2009, though after that date, many said, they would need soft loans and follow-up expert advice from the Programme if the benefits were to be sustained.

Not much had been achieved in the way of supporting the textile support centres at the time of the evaluation, and therefore it has not been possible to discuss sustainability. In the case of the textile industry strategy, hardly any short-term -- not to mention long-term -- benefits could be seen at this stage. Nor was it possible to assess the sustainability of the inputs on investment promotion as the participation by companies was limited, and those that did, have not found any benefit so far from the Company Project Profiles prepared for them by the project.

5

Conclusions

5.1 GENERAL CONCLUSIONS

Contribution to national agenda

Overall, the Made in Syria Integrated Programme has given crucial assistance to the Syrian Government in its re-shaping of the role and competitiveness of the private sector in Syrian industry, and of Syrian industry within the total Syrian economy.

This was done in two ways: in providing quality inputs to Syrian Government Policy in the 10th and 11th 5-year Plans, and in building local capacity to provide business and productivity inputs to Syrian garment and textile enterprises.

It has been less successful in building a textile-specific strategy and support institutions; and the institution-building achievement of the Upgrading Modernization Unit and its network of clients still remains fragile.

UNIDO has been effective in mobilizing high quality international and national expertise to support all components of this Programme (with some remaining question marks in the area of textile strategy), and in particular, used its broad experience in comparable countries (for example Tunisia and Egypt) to assist the Syrian stakeholders chart their course.

Co-operation of Syrian partners

The Syrian partners have responded constructively to UNIDO's assistance. In particular, the Government -- led by the Deputy Prime Minister and Minister of Industry -- has taken ownership of its side of the technical co-operation, released -- if slowly - good quality government staff to the UMU, encouraged it to operate at arms length from the Ministry structure, and led discussions with the donor and local stakeholders to support the Programme, including the financial scheme. At the time of the evaluation it had been less successful in resolving issues around the siting of the Textile Technical Testing and Certification Centre.

Of the private sector stakeholders, two Chambers of Industry funded the UMU's office space and promoted the I'MUP to members. A few companies had expectations of the UMU that could not be met immediately, and some of the UMU's communication had been unclear. In these instances the Chambers might have played more of an

intermediary role to ensure better understanding for example of reasons for delays during the Programme start-up.

These delays had several sources, of which the most understandable is the shift in attitudes and practices needed on the Syrian side to move from a public-sector dominated economy to a market-oriented open private-sector system. Greater co-ordination between government departments and a more conscious embrace of the need for real understanding of the private sector by public sector leadership (including that of the project), will help consolidate the gains so far.

Relations with donor

While the relationship with the donor has been on balance highly constructive, differences with UNIDO on elements of project design, and delays from the donor side in releasing funds and finalizing the credit scheme were less beneficial. Though it was agreed to by both UNIDO and the donor, the relatively small quantum of funding (of which 70% had been spent by March 2009) and the short implementation period made the project vulnerable to even predictable delays and affected the limited range of services that could be offered.

Project management

On the UNIDO side, the disruptions caused by staff changeovers, and on occasion less efficient team work among project managers are not as understandable. Also within the I'MUP, in an otherwise well-constructed combination of policy support and direct support to individual enterprises, there has been a lack of HRD design in structuring the management unit and inefficiencies in strengthening local consultancy expertise. High praise is due to the commitment and skill of those who managed the IM UP-Syria for their success in very difficult circumstances.

Co-ordination

The coordination within UNIDO is still far from being harmonized. The project management within UNIDO was at times unclear as the Lead Project Manager was given the responsibility but no authority to coordinate the UNIDO team of project managers. The project management was diffused as different project managers managed their sub-components as stand-alone projects and there was less than optimal consultation on the use of experts, timing of visits, or solutions to problems.

Managing expectations

Projects which aim to introduce significant changes in the way that individuals and institutions have operated for some long time must expect to have difficulty getting off the ground, even with good will and notional understanding of what change will involve. Many stakeholders may not understand the difficulties involved and expectations on how fast the project can achieve results may be unrealistic, or the

small and significant steps that show progress towards results may not be easily recognized.

This problem should be addressed in a number of ways. One to be considered is to give the start-up phase a name that can encourage realistic expectations. "Pilot Phase" helps observers understand that much work is being done to test the relevance and precise operation of the tools and activities the project is designed to provide. "Phase I" can imply a more advanced level of readiness (pilot testing having been done or seen as unnecessary) but also greater certainty of commitment by the partners to a longer term support for the project.

Start-up budget

Start-up may also be hampered by inadequate provision of promised resources or delays in meeting estimated time-lines. It would make sense to have a Start-Up Phase built into a Project, with its own budget and flexible time-lines. The project manager may need discretionary funds, within guidelines, to initiate essential activities while waiting for major budgeted funds to become available.

Human resource design

The key to both project and Programme success are the human skills available both during the project phase and beyond. Each project should have a HRD design, including succession planning, as part both of its management of the project phase and the transition to a Programme run independent of external resources. In this context it is important to assess the relevant niches of the labour market whence particularly the managers of the ongoing Programme can be recruited or grown.

Improved project documents

The way that Project Documents are written and used should be reviewed with the objective of ensuring a comprehensive master plan for the project meeting the needs of the contractual relationships between funding and implementation partners but acting as a clear road map accessible to all relevant personnel and stakeholders.

5.2. RELEVANCE

Design

Certainly at a conceptual level the Made in Syria Integrated Programme is relevant to Syrian industry. It has aimed to strengthen the sector at a time when the pillars of the Syrian economy are being realigned. The IP in its original design targeted a number of industry sub-sectors aiming, in line with Government intentions, to assist

a more private-sector-driven economy both to participate in regional and international trade and to respond to a more sophisticated domestic market.

To achieve this, UNIDO was clearly the right organization to respond, as it has the range of tools, and experience in comparable countries that Syria needs. The original concept therefore brought together in a mutually supportive design, initiatives based on the macro, meso and micro levels that have been followed in this evaluation.

Implementation

The more fundamental question, however, is whether the IP has proved of continued relevance as it has been implemented over the seven years since the Programme concept was first developed. There have been a number of obstacles to authentic integration of the components: the target sectors were reduced principally to one, the emphasis on private sector representation was not fully developed, and there have been co-ordination and ownership issues within UNIDO and amongst the stakeholders in Syria.

As a result some individual components have been implemented well, though many are still being implemented in what can best be described as early stages. Some (the textile centres) have not yet proved themselves and others (the UMU and most of its delivery of the Upgrading Programme) have done remarkably well in difficult circumstances but will be fragile without further medium term support.

5.3. EFFECTIVENESS

Mutual reinforcement

The effectiveness of an Integrated Programme should be judged at its most basic by whether there is greater value added where a number of components are grouped within the Integrated Programme rather than operating on their own. Theoretically and on technical grounds alone, it makes sense for the government to gain value from an Integrated Programme since a government aims to have policies and mechanism that can have the components of its industrial sector working in harmony. In this context, the policy inputs of the I'MUP programme and the work of the UMU have been seen by Government to reinforce each other. The mutual reinforcement is less clear where the textile strategy and the textile support centres are concerned partly because there were political as well as technical factors involved.

The potential for all these elements to strengthen each other, still exists: Government policy is in place and is likely to be strengthened (as a result of the IP) in the next 5-year plan; the basic ingredients of a support institution (the UMU) for strengthening companies are in place though are still at a fragile stage; the credit

line necessary for the investment required by these companies to make good on the advice they have received, was at the time of the evaluation near implementation. Other forms of financing: namely in promoting investment partnerships, have not advanced; implementation of the upgrading of the textile industry technical support institutions was affected by numerous delays but the commitment to gain results remains.

Achieving objectives

The extent to which the funded components of the Integrated Programme Made in Syria achieved their objectives varies.

Component 1 was highly effective in achieving its expected outputs and outcomes. This component produced a number of competitiveness studies of Syrian industries, that gained broad support from national stakeholders and their findings and recommendations were adopted by the Government in its tenth Five-Year-Plan. A number of useful tools and methodologies that had been used to assess the performance and competitiveness of Syrian industries, such as UNIDO scoreboard, benchmarking and value chain analysis, subsequently have been widely adopted and used by Syrian experts to conduct national competitiveness studies.

Component 2's key outputs and many of the outcomes and outputs related to upgrading and modernization interventions have been largely achieved. However, the effectiveness of interventions related to the textile strategy, the textile support centres and investment partnership promotion was relatively low.

- The proposals of a National Programme for Industrial Modernization and Upgrading and of a Credit Scheme have been completed and endorsed partially and fully by the Syrian counterparts. The Italian Government showed strong interest in approving the Credit Line proposal of Euro 20 million to provide soft loans to Syrian companies (and after the period of the evaluation, has done so).
- An Upgrading and Modernization Unit was established in 2007 and has been the key vehicle through which interventions at macro, meso and micro levels were implemented. There is still much room for the Unit to improve its management, technical and financial capacity.
- A small network of around 20 national consultants has been established and they have been trained and coached on company upgrading and modernization in several areas, including needs assessment, production, marketing, cost-accounting and environmental management. However, their potential is not yet fully realised and the participating companies generally perceived them as less efficient than international experts.
- Given the limited expert inputs and short implementation time, the outcomes and predicted impacts achieved at company level were

impressive. More than 90% of the participating companies have improved their production methods, 55% to 60% have improved their marketing planning and practices, 55% have adopted accounting software provided by the project to cost their products accurately, 50% have launched new or improved products or product lines, 30% have adopted energy saving measures.

- Although it was too early for the pilot companies to measure the impacts on their performance, some have predicted impacts in terms of lower costs, higher sales, greater productivity per worker and reduction in energy costs and water wastage.
- The project's strong focus on the textile and garment sector was widely considered the key success factor as this has allowed the project to provide highly specialized and much needed support to companies, business services providers and policy-makers.

The I'MUP has not effectively achieved its objectives regarding the textile strategy, the textile support centres and the investment partnership promotion for participating companies. It took a long time for the project to prepare the textile strategy proposal whose quality was low and content was out-of-date. Delayed implementation has caused the low achievement of the Textile and Investment Promotion sub-components so far.

5.4. EFFICIENCY AND PROGRAMME MANAGEMENT

Overall efficiency

The I'MUP was designed to combine expertise and services from three different branches within UNIDO and address issues affecting Syrian industries at macro, meso and micro levels. Given the multidimensional nature of Syria's industrial needs, UNIDO's aim was to apply a wide range of its expertise so that interventions dealing with one dimension of need would reinforce the interventions dealing with another dimension thus making for greater efficiency.

The efficiency of the IP funded components was mixed. Component 1 and a major sub-component of component 2 represented a good use of resources while the efficiency of the two sub-components under component 2 was modest.

Component 1

This was implemented efficiently within the foreseen budget and the quality of the results was high. The stakeholders who met with the evaluation team expressed high satisfaction with UNIDO's experts and methodologies.

The implementation lasted 1.5 years against the planned 5-month period, but experience from this type of interventions indicates that 1.5 years is a realistic time frame and that participatory approaches often take a longer time but are beneficial in increasing national stakeholders' ownership of the outputs.

The component proved highly cost-effective given its moderate budget, tangible and concrete results, and its potential impacts.

Management by UNIDO was regular and hands-on. Regular progress reports were prepared and close consultations with the national stakeholders and the donor were held.

The absence of a Steering Committee to guide the implementation of the component led to delayed decision-making and slow achievement of some results.

Component 2

Here the efficiency of the I'MUP was mixed. Most of the interventions under the Upgrading sub-component represent a good use of resources invested. They have been implemented efficiently and are on the right track to reach their expected results. However interventions under the Textile and Investment Promotion sub-components have not yet proven their efficiency.

The Programme was not implemented in an integrated manner. Delays in interventions relating to the textile strategy at macro level, the textile support centres at meso level and the investment and partnership promotion for companies at micro level have lessened the intended synergistic benefits of integration.

Several companies pointed to the need for a strategic vision for the Syrian textile industry, especially as more and more textile and garment companies in Syria are forced to cut or shorten production lines as a result of the world recession.

Both local experts and companies involved in the investment and partnership promotion intervention pointed to the loss of synergy and efficiency as a result of the investment promotion not being included in the company diagnostics and so not implemented in parallel with the other inputs to the companies.

Governance

The I'MUP has a good and functional governance structure through the Steering Committee whose members met regularly every six months to discuss project progress and obstacles and make key decisions. The project had benefited greatly from the hands-on management and the strong commitment from the national stakeholders, especially from the Mol and the two Chambers of Industry in Aleppo and Damascus.

Monitoring

The UMU has deployed a system to monitor the application of expert recommendations by companies, and send national consultants or its operational officers to maximize the application. But the lack of specific indicators to measure the expected results (for example of 'upgraded companies') has not enabled the project management to manage for results or to demonstrate meaningful and evidence-based results to stakeholders.

Timeliness

While the implementation of the whole IP lagged behind for a considerable length of time, some components and intended outputs (i.e. textile strategy, investment promotion, laboratory upgrading for accreditation) were particularly affected. Clearer assignment of responsibilities within the IP management team and better systems of accountability, including more authority given to the Team Leader, might have helped in the timely adoption of appropriate corrective measures.

5.5. SUSTAINABILITY

Overall Sustainability

The benefits from component 1 have proved to be sustainable and some results of component 2 are likely to last beyond the l'MUP's planned completion date in June 2009. However, sustainability is an issue for interventions related to the textile strategy, the textile support centres and the investment partnership promotion under component 2.

Component 1

Key outcomes of component 1 were achieved between 2006 and 2007 when the component's main interventions had been completed. Most of the findings and recommendations from the industrial competitiveness assessments were adopted in the Syrian Government's tenth Five-Year-Plan in 2006; and the l'MUP started materialize in 2007.

Component 2

In the l'MUP, the benefits from the proposals of a National Programme for Industrial Modernization and Upgrading and of a Credit Scheme will likely be maintained as the national stakeholders have endorsed parts of the National Programme and the whole of the Credit Scheme (now approved by the donor).

Similarly, most companies visited by the evaluation team believed that the effects of the expert's advice would continue beyond the project completion. These benefits would be more substantial if international experts re-visit the companies to follow up on their more complex recommendations and ensure correct implementation.

National Consultants

The I'MUP has built up a network of national consultants trained in company upgrading and modernization, but a strategy for sustaining this network is not yet in place. After a short period of time with the project, some exceptional consultants may work with companies independently, but many will still need further coaching from international experts.

The Upgrading and Modernization Unit

The sustainability of the UMU depends largely on whether there is additional funding for the project beyond June 2009. Although the MoI pays for the salary of the Unit's staff and the Aleppo and Damascus Chambers of Industry pay for the office rent and furniture, the UMU will continue to require external funding to provide services to companies.

Currently the Unit does not possess adequate technical and management capacity to provide upgrading services without inputs from international personnel (both as consultants and as advisors to the UMU). Currently also only few Syrian companies can afford and are willing to pay for these services though this is an area where a strategy to build a Syrian BDS market can increase client fees as a proportion of the Unit's income.

Textile Strategy and Centres

The textile strategy proposal did not meet the expectation of the national stakeholders and unless new initiatives are taken, will not be seen as beneficial to them. The work on the textile support centres and the investment partnership promotion has not progressed sufficiently to indicate whether their benefits will persist.

6

Recommendations

A. Specific recommendations for individual components

COMPONENT 1: EFFECTIVE INDUSTRIAL GOVERNANCE

- UNIDO should submit the final report and financial statement of project DPSYR05006 to UNDP, so that UNDP can officially close the project.

COMPONENT 2: INDUSTRIAL MODERNIZATION AND UPGRADING PROGRAMME (I'MUP)

UNIDO

- In consultation with Syrian stakeholders and the Italian Government UNIDO should develop a Phase II of the I'MUP, and to optimize the gains and momentum of Phase I, ensure there is no gap before Phase II.
- Phase II should:
 - continue to focus on the textile and garment industry through further support to the pilot companies and expansion to other companies in the same sector,
 - emphasize building the capacity and professional standards of national consultants, including coaching by international experts;
 - consider using regional consultants, especially if the more expensive international consultants are phased out, so as to help develop a more competitive market of Syrian BDS providers.
 - pay greater attention in the target companies to corporate social responsibility practice, including gender balance, social equity, environmental management, and (in possible collaboration with the International Labour Organization) occupational safety and working conditions;
 - consider building export-oriented clusters and consortia and use these as a means of inputting expertise to the companies;

- develop a logical intervention strategy with expected results, indicators in line with Results-Based Management principles, and a monitoring and evaluation (M&E) system to manage for results.
- In consultation with Syrian and Italian stakeholders, UNIDO should prioritize the Textile and Investment Promotion interventions to be implemented before project completion in December 2009,
- Consideration should be given to expanding the role of the UMU with regard to the proposed credit scheme and the financing needs of Syrian SMEs in general. Some existing staff could have a role in supervising and reviewing business plans for loan applications but the possibility should be explored, that with increased expertise, the Unit could carry out administrative support functions for the banks and for a fee.
- A Human Resource Development (HRD) plan should be developed for the UMU to ensure that its staff possesses the management and technical capacity to provide quality follow-up to companies and, if given the mandate, to implement the credit scheme.
- The UMU should be permitted to recruit professional staff from the private sector, and UNIDO should develop an exit strategy for itself to ensure the financial, technical and institutional sustainability of the UMU after project completion.
- A sustainability strategy should be developed for the I'MUP, and in particular the UMU to ensure that it can develop from an introduced project structure towards a sustainable national institution. This will require assessment of an appropriate governance structure distinct from the governance structure of the early project phases
- The lead management role of the UMU needs to be assessed carefully; it should have the title of manager, and all senior job descriptions (including that of the chairman of an executive committee who could be remunerated on a part-time basis) should ensure that both the internal functions (office and client management) and external (liaison, lobbying and public relations) will be carried out with necessary skill.
- Management functions should not be carried out by a permanent CTA role. A CTA function should be essentially advisory and mentoring.
- Succession planning should ensure that both corporate memory and the external trust relationships, built up in Phase I, are retained by the organization during Phase II and beyond.
- In this context, given the importance of a private sector mentality, consideration should be given to recruiting a person who is able to run -- or

learn how to run -- a private-sector-oriented organization and who at the same time understands the public sector realities in Syria. This will require assessing how the best person can be recruited and retained from the relevant niches of the labour market including returning migrant professionals. Such planning should be in place before the end of Phase I.

- More finely tuned support strategies should be developed, clarifying the different levels and timing of client need and readiness to receive inputs, and the most feasible and effective way of delivering advisory and follow-up services to companies whether individually or in clusters, and whether via international or national consultants or UMU operational staff, and according to a graduated scale of fees for greater cost recovery.
- The UMU should develop base line data and monitoring and evaluation procedures to assist the Ministry of Industry and State Planning Commission in implementing the 11th Five-Year Plan
- The I'MUP should involve the Chambers of Industry, Syrian Association of Management Consultants and Syrian Exporters Association to act as a channel of client feedback to the UMU, and monitor company progress and results. Studies prepared by project experts/consultants should be shared with all concerned parties to stimulate discussion and action.
- There should be an increase in the existing co-operation between the I'MUP, the Syrian Enterprise Business Centre and the private sector development projects of other donors in Syria.

Government of Syria

- Future staffing strategy for the UMU should recognize the need for inclusion of staff with private sector background.
- Greater commitment should be given by public sector leadership to understanding the needs of the private sector through measures such as facilitated forums to identify problems affecting both sectors.
- Longer term funding for industrial upgrading initiatives should be planned so that they are not dependent on external resources, and in some cases, achieved through creative use of public-private partnerships.
- Ensure better sharing of UMU data with the Ministry of Industry and the State Planning Commission, so I'MUP inputs at macro level, and experience from upgrading Syrian companies at micro level, feed into the 11th Five year Plan.

Government of Italy

- A Phase II should be funded to consolidate the benefits of Phase I and with no gap before the commencement of Phase II.
- Management of the credit scheme should note the pilot companies' stated desire for the scheme to work through both public and private Syrian banks including, as recommended by many companies, Islamic banks.
- A schedule for release of funds should be agreed with UNIDO at the outset of Phase II to allow smooth project implementation of activities.

B. Recommendations to the management of the Made in Syria IP

- The completion date of the Made in Syria Integrated Programme should be identified, and closing procedures initiated.
- There should be longer overlaps between outgoing and incoming staff and improved de-briefing and knowledge management.

C. Lessons learned of wider applicability

- In a UNIDO Integrated Programme, and in order to improve management and coordination among project managers, the lead project manager should be empowered to clear proposals for action by the other project managers. The project management team at UNIDO-HQ should also review regularly the performance of the project according to an agreed schedule.
- The programme or project documents of a complex programme should be promptly updated in the light of later steering committee and management decisions and should be accessible, in language and style, to all stakeholders and their staff.
- An inception report can also be a useful practice for complex longer-term projects in order to clarify changes to interventions, specify expected results and beneficiaries, and outline appropriate management systems and personnel.
- For projects of long duration and multiple components, a start-up phase of three to six months is desirable, to ensure project management staff and office are in place before activities commence. The name Start-up Phase has some advantages over Phase One in the expectations it arouses from beneficiaries and stakeholders, and a clear communication strategy during this phase is necessary to maintain stakeholder support.

- A Human Resource Development (HRD) plan should be developed for all projects as a matter of course, as the continued availability of the human capital depends on the transition in management and technical personnel over the project phases.
- Helping beneficiaries achieve 'quick wins' can build trust in the services of an upgrading programme and provide confidence for companies' investment decisions.

Annex A: Terms of Reference

21 January 2009



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Independent Evaluation of the UNIDO Integrated Programme in Syria

‘Made in Syria’

Background of the Integrated Programme

1. The Integrated Programme (IP) was formulated in 2001. At this time, the Government of Syria started to reassess the role of the public and private sector and especially of Small and Medium Enterprises (SMEs), in optimizing the available national resources to compete in international markets. The Programme document was approved by the Government in November 2001 and by UNIDO in May 2002. The IP’s planned budget was USD 3.48 million.

2. **IP objective and components.** The IP’s overall objective was to ‘improve the competitiveness of MADE IN SYRIA industrial products in order to facilitate their integration in the global value chain’. The Programme focused on strengthening the capacities of the country’s industrial support system, trade infrastructure and a number of selected enterprises in the textile and leather sector. The Programme comprised three components:

- i) *Effective Industrial Governance*: to foster the Government’s capacity to develop strategies to improve the competitiveness of Syrian textile and leather industries and to implement the strategies;
- ii) *Support Institutions for Competitive SME Development*: to strengthen institutions that provide services/support to SMEs in terms of quality, standardization, accreditation, conformity assessment and business development; and
- iii) *Implementation of Pilot Programmes to Improve the Competitiveness Position of the Textile and Leather Sectors*: to support a number of selected enterprises in these two sectors, to improve their competitiveness.

3. The IP has been revised and currently comprises two components: i) *Effective Industrial Governance* which is the same component as before but at a smaller scale; and ii) *Industrial Modernisation and Upgrading Programme* which is a new component but contains some parts of components 2 and 3 of the original IP. The key intervention under component 2 is the Industrial Modernisation and Upgrading Programme (I’M UP-Syria),

which is a technical assistance programme developed and implemented by UNIDO together with the Government of Syria and funded by the Government of Italy.

4. Table 1 presents the overview of the planned and materialized components of the Integrated Programme. Table 2 provides information about the implemented components and projects and which will be covered by this evaluation.

5. **IP budget information.** The total cost of the IP was originally estimated at \$3.48 million. The total allotment has been around \$3.55 million, accounting for 102% of the total planned budget, and 64% of this amount has been committed and/or spent. Nearly 83% of the funds came from the Government of Italy, 13% from UNDP and 4% from UNIDO 'programmable funds'.

Table 1: Planned and current status of the IP

#	Component	Planned Budget (USD)	Status	Total allotment (USD)
1	Effective industrial governance	665,000	Partially realized	529,922
2	Support institutions for competitive SME development	1,030,000	Partially revised & realized	2,394,964
2.A	Upgrading quality infrastructure	325,000	Partially revised and realized	
2.B	Strengthening the Investment Bureau including the establishment of an investment promotion unit	401,000	Partially revised and realized	
2.C	A business development service and business incubator facility	304,000	Not realized	
3	Implementation of pilot programme to improve the competitive position of textile and leather sectors in local, regional and international markets	1,785,250	Partially revised & realized	620,626
3.A	Upgrading of the Textile West Processing sub-sector	904,250	Partially revised and realized	
3.B	Upgrading Tanner operations in Zablatani Cluster	881,000	Not realized	
	<u>TOTAL</u>	<u>3,480,250</u>		<u>3,545,512</u>

Source: UNIDO project and programme management system AGRASSO and InfoBase as of January 2009 and IP document

Table 2: Components and projects to be covered by the independent evaluation

#	Component/Project	Project No.	Total Allotment \$	Expenditure rate (%)	Start date	Completion date	Donor
1	Effective industrial governance		529,922	100			
	Preparatory Assistance to Support Industrial Development Strategy	DPSYR05006	35,680	100	01/23/2006	12/21/2007	UNDP
		DPSYR02006	413,245	100	04/26/2002	12/31/2004	UNDP
		XPSYR03003	80,997	100	05/08/2003	09/30/2004	UNIDO
2	Industrial modernization & upgrading programme		3,015,590	57			
	Preparatory study phase	XPSYR03018	68,000	100	07/02/2003	12/31/2003	UNIDO
		TFSYR01001	46,152	100	09/09/2002	06/07/2005	Italy
		USSYR03009	2,029	100	03/05/2003	12/27/2004	Italy
	Industrial Modernization and Upgrading Programme (I'M UP-Syria)	TESYR05003	2,127,655	65	11/21/2006	06/30/2009	Italy
		TESYR05A03	221,157	27	11/21/2006	06/30/2009	
		TESYR05B03	550,597	32	12/19/2006	06/30/2009	
	TOTAL		3,545,512	64			

Source: UNIDO project and programme management system AGRESSO and InfoBase Jan 2009 and IP document

Purpose of the evaluation

6. In accordance with the UNIDO Evaluation Policy and the Guidelines for the Technical Cooperation Programmes and Projects, the UNIDO Evaluation Group (OSL/EVA) will conduct an independent evaluation of the Syria Integrated Programme (IP) in March-April 2009.

7. **The main purpose of the evaluation** is to:

- Assess the design and performance of the IP in terms of relevance, effectiveness, efficiency, sustainability and impact;
- Develop lessons and recommendations for enhancing the design and implementation of UNIDO's ongoing and future interventions in Syria as well as in other countries.

8. Since the Industrial Modernization and Upgrading Programme (I'M UP-Syria), which is the key component of the IP, is approaching its completion in June 2009, it is an opportune timing for the evaluation and should enable the feeding of lessons learnt into the development of a new phase.

Evaluation approach and methodology

9. The evaluation will focus on the assessment of relevance, effectiveness and efficiency of the IP. Wherever possible, the evaluation will examine the impact (or potential impact) of the Programme. It will also look into the sustainability of the achieved results and benefits. In addition, the evaluation will consider other issues that the concerned stakeholders believe merit further analysis.

10. The evaluation will be conducted as an Independent Terminal Evaluation at two levels: i) evaluation of individual realized components/projects, and ii) evaluation of the IP as a whole.

11. **Assessment of the IP.** Under relevance, the evaluation will assess whether the Programme's design has been responsive to the needs of the target groups. It will assess how the Programme has been relevant to the country's development priorities, to the donors' policies and to UNIDO's comparative advantages and strategic objectives. The assessment of the Programme's design will be based on the development context both at the time of design and of today. The latter is justified in order to reflect the Programme's dynamics and ability of the IP management to learn and adapt during implementation, taking into account the changing environment and new policies in Syria. As far as effectiveness is concerned, the evaluation will examine to what extent the projects under the Integrated Programme have achieved their intended results. In terms of efficiency, the evaluation will determine how economically the resources/inputs (in terms of funding, expertise, time...) have been converted into outputs. It will also look into the timeliness of the projects in producing outputs, initial outcomes and delivering inputs. A detailed list of key issues to be covered by the evaluation is in Annex 1.

12. **Data collection.** The evaluation's basic approach will be to triangulate data, evidence and information obtained from the main actors involved in the IP. These key actors are: i) the targeted enterprises, institutions and other entities directly benefiting from the Integrated Programme; ii) key focal points of the Government of Syria at the national level; iii) representatives from the Government of Italy; iv) project staff and related implementation agencies; and v) concerned UNIDO staff.

13. The evaluation team will review available documents related to the IP and its projects (e.g. design, progress and terminal reports). Relevant documents of the Government of Syria and other development organizations will also be consulted. Discussions with the Team Leader and Project Managers will be conducted prior to the fieldwork.

14. In the field, the evaluation team will hold discussions with representatives of all stakeholder groups. Field interviews with supported institutions, their clients and with local enterprises will be a major evaluation activity, either in the form of focus-group discussions or one-to-one consultations.

15. **Expertise required.** The evaluation team will include: 1) an Evaluation Team Leader with extensive experience in and knowledge of SME/private sector development and evaluation issues; 2) an expert representing the Government of Italy with knowledge of development cooperation and SME/private sector development (nominated by the Government of Italy); 3) a National Evaluation Consultant familiar with SME/private sector development and evaluation techniques; and 4) an OSL/EVA Evaluation Officer.

16. The international Evaluation Team Leader and the National Evaluation Consultant will be contracted by UNIDO. Their specific tasks are specified in the job descriptions attached to the terms of reference. The expert representing the Government of Italy will be contracted directly by the Government of Italy. All members of the evaluation team must not have been involved in the design and/or implementation and coordination of the IP and its components/projects. This principle is underlined in the UNIDO Evaluation Policy: “*For independent evaluations, the members of an evaluation team must not have been directly responsible for the policy-setting, design or overall management of the subject of evaluation (nor expect to be so in the near future)*”.

Evaluation process and plan

17. While underscoring the need for independence, the Evaluation Group recognises the importance of engaging the main stakeholders in an active dialogue throughout the evaluation process. The UNIDO Evaluation Policy states that: “*Transparency and consultation with the major stakeholders are essential at all stages of the evaluation process. Involvement of and consultation with stakeholders facilitates consensus building and ownership of the findings, conclusions and recommendations; it also heightens the credibility and quality of the evaluation*”. This is fundamental to ensure the evaluators’ full understanding of the opportunities and constraints faced by the Programme management, project managers and implementing institutions, to engage the stakeholders in a fruitful collaboration and to facilitate the discussion of the recommendations and their adoption.

18. In order to do so, the main users of the evaluation will be invited to review and comment on the proposed evaluation methodology and process as set out in this terms of reference, participate in key discussions of the preliminary findings, as well as review and comment on the draft evaluation report. The main evaluation users are quite likely to be: representatives from the Government of Syria and its ministries; representatives from the Government of Italy, who are the key donor of the Programme; UNIDO’s IP Team Leader; UNIDO Project Managers; and Chief Technical Advisors and heads of project management/coordination units (national project coordinators).

19. The UNIDO Field Office in Lebanon and the Upgrading and Modernization Unit in Damascus will support the evaluation field mission.

20. **Evaluation work plan.** The evaluation is scheduled to take place in March and April 2009. The evaluation field mission is planned from 9 to 22 March 2009. At the wrap-up meeting in Damascus, the mission’s preliminary findings will be presented to partners in the field (representatives from the Government, donors, project coordination units and the UNIDO Field Office), whose comments will be reflected in the draft evaluation report. UNIDO’s staff at the headquarters will be invited to a meeting in Vienna where the evaluation preliminary findings, assessments and recommendations will be presented and discussed. Thereafter the evaluation main report will be finalised, taking into account the comments from and discussions with various stakeholders.

Table 3. Tentative Evaluation Work Plan

#	Evaluation activities/deliveries	Due date	Responsibility
1	Preparatory phase (preparation of TOR, identification of evaluation team members, communication to stakeholders, finalisation of contracts, desk reviews, preparation of interview questionnaire...)	15-Feb	OSL/EVA/evaluation team
2	Briefing meetings with the IP team and project managers	Week 23 Feb	Mission leader/OSL/EVA
3	Evaluation field mission	9-22 Mar	Evaluation team
4	Synthesis wrap-up meeting in Damascus	22-Mar	Team/Gov/UNIDO/Partners
5	Debriefing meeting with UNIDO Vienna-based project managers and IP team	24 Mar	OSL/EVA
6	Draft evaluation report	10-Apr	Evaluation team
7	Comment on the draft evaluation report by UNIDO staff and other stakeholders	24-Apr	Stakeholders
8	Revision of the evaluation report	5-May	Evaluation team leader
9	Peer-review of the evaluation report by EVA	15-May	OSL/EVA
10	Finalise the evaluation report	22-May	Evaluation team leader

21. **Reporting and dissemination of the evaluation report.** The main deliverable of the evaluation is the evaluation report of around 35-40 pages with a 3-page executive summary. The reporting language will be English.

22. The draft report will be shared with UNIDO staff and the Government of Syria and Italy for initial review and consultation. They may provide feedback on any error or fact and may highlight the significance of such errors in conclusions. The process will also seek agreement on the findings and recommendations. The evaluators will take comments into consideration when preparing the final version of the report.

23. Quality assessment of the evaluation report. All UNIDO evaluation reports are subject to quality assessments by the UNIDO Evaluation Group. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality in attachment 2. The Final Evaluation Report will be submitted to the Government of Syria and Italy and UNIDO's Executive Board.

24. The Evaluation Management Response Sheet will outline the evaluation recommendations. The IP Team Leader and the concerned project managers will be responsible to provide comments (of acceptance or non-acceptance of the evaluation recommendations), actions for follow-up and deadlines in the document. This document, which will be posted on the UNIDO intranet, allows tracking of the follow-up of each

recommendation and is a tool to ensure learning across UNIDO. The evaluation report will be posted on the UNIDO Internet website: <http://www.unido.org/evaluation>.

Attachment 1. List main issues to be covered by the evaluation

A) Programme-wide evaluation

Relevance and ownership

The extent to which:

- (i) The IP was jointly identified and formulated with the Government counterparts, as well as with the involvement of programme counterparts and their target beneficiary groups.
- (ii) There is an agreement among the stakeholders that the objectives of the IP were and are still valid and that the programme has supported the country industrial strategy.
- (iii) The programme did and continues to contribute to UNIDO's Corporate Strategy and the MDGs and other international targets.
- (iv) The programme is complementary with other relevant bilateral and multilateral cooperation and coordination programmes (especially UNDAF and CCA).

Funds mobilization

The extent to which:

- (i) The central national management and counterparts were able and willing, to contribute (in kind and/or cash) to IP implementation and in taking an active part in funds mobilization.
- (ii) UNIDO HQs paid adequate attention to and was effective in funds mobilization.
- (iii) The IP team and its stakeholders were in a position to participate in the process of allocation of seed money.

Programme coordination management

The extent to which:

- (i) The central national management and overall field coordination mechanisms of the Programme have been efficient and effective.
- (ii) The UNIDO HQ based management, coordination, and monitoring and reporting of its services have been efficient and effective.

Programme identification and formulation

The extent to which:

- (i) A participatory programme identification process was instrumental in selecting problem areas and counterparts requiring technical cooperation support.
- (ii) The IP has a clear thematically focused development objective, which will contribute to goals established by the country, the attainment of which can be determined by a set of verifiable indicators.
- (iii) The project/programme was formulated based on the logical framework approach

Synergy benefits derived from programme integration

The extent to which:

- (i) Coordination amongst and within components led to benefits (such as cost savings in implementing UNIDO services; increased efficiency resulting from providing different services to the same target group; increased efficiency resulting from interventions aiming at strengthening linkages within a system and improved efficiency due to services provided simultaneously at the level of policy-making, support institutions and enterprises).
- (ii) The transaction costs of the IP (management and coordination of many stakeholders, complexity in funds mobilization, etc.) were commensurate to the benefits of integration.

B) Evaluation of (sub-) components

Ownership and relevance

The extent to which:

- (i) The component was formulated with participation of the national counterpart and/or target beneficiaries, in particular the industrial stakeholders.
- (ii) The counterpart(s) has (have) been appropriately involved and were participating in the identification of their critical problem areas and in the development of technical cooperation strategies, and were actively supporting the implementation of the component.
- (iii) The component/project objective(s) are aligned to the higher-level programme-wide objective.

Efficiency of implementation

- i. Timeliness, adequacy (quantity and quality) and cost of UNIDO and the Government inputs (expertise, training, equipment, methodologies, etc.) and activities
- ii. Timeliness of production of outputs
- iii. Is the programme cost-effective compared to similar intervention? Could the programme have produced more with the same resources, or the same with less money, with least delays?
- iv. Was UNIDO's seed money invested in the programme? Ratio between seed money and IP budget and allotment. Ratio between design and intervention costs, if available.
- v. To what extent has there been coordination between components? If yes, has this led to cost savings in implementation? Are different services provided to the same target groups?
- vi. Were inputs provided by the Government and by UNIDO adequate to meet requirements?

Effectiveness of the component

Assessment of:

- i. Achievement of outputs and outcomes against the original/revised objectives?
- ii. Quality of the outputs and outcomes and the view of stakeholders of the results.
- iii. Were the target groups reached?

Impact

Assessment of:

- i. The actual or potential effects in terms of re-establishing entrepreneurial initiatives, provision of job and income opportunities?
- ii. The actual or potential economic, environmental and social oriented developmental changes?

Attachment 2). Checklist on evaluation report quality

Report quality criteria	UNIDO Evaluation Group Assessment notes	Rating
(a) Did the report present an assessment of relevant outcomes and achievement of programme objectives?		
(b) Were the report consistent and the evidence complete and convincing?		
(c) Did the report present a sound assessment of sustainability of outcomes or did it explain why this is not (yet) possible?		
(d) Did the evidence presented support the lessons and recommendations?		
(e) Did the report include the actual programme costs (total and per component or project)?		
(f) Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?		
(g) Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?').		

Can they be implemented?		
(h) Was the report well written? (Clear language and correct grammar)		
(i) Were all evaluation aspects specified in the TOR adequately addressed?		
(j) Was the report delivered in a timely manner?		

Rating system for quality of evaluation reports

A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1, and unable to assess = 0.

Annex B: List of persons consulted in Vienna

#	Name	Title	Organization
<i>UNIDO staff</i>			
1	Mr AKHVLEDIANI, Yuri Iraklievich	Unit Chief	UNIDO
2	Mr. BOYE, Tidiane	Industrial Officer	UNIDO
3	Mr GHANEM, Firas	Consultant	UNIDO
4	Ms KABALAN, Lamis	Field Operations Officer	UNIDO
5	Mr. LEE, Yuen- hoi	Industrial Officer	UNIDO
<i>Representatives from Italian and Syrian Government</i>			
6	Mr. GHISI Gianni	Ambassador	Italian Permanent Mission to UNIDO
7	Mr. KHATTAB Mohammad Badi	Ambassador	Syrian Permanent Mission to UNIDO
8	Ms. PASTORELLI Alessandra	First Secretary	Italian Permanent Mission to UNIDO

Annex C: List of persons consulted in the field

#	Name	Title	Organization
<i>Syrian Government</i>			
1	Mr. Abdallah Dardari	Vice-Prime Minister for Economic Affairs	Prime Minister Office
2	Mr. Fouad Issa Al Iouni	Minister of Industry	Ministry of Industry
3	Ms. Nadya Oukar	International relations	Ministry of Industry
4	Mr. Imadeddin Rjlh	International relations	Ministry of Industry
5	Ms. Nuhad Dimashkiyyah	Senior Expert in Trade and Industry Policies	Ministry of Economy & Trade
6	Mr. Muhsen Hallak	Chief of Textile Standard Unit	SASMO
<i>Private Sector</i>			
7	Mr. Salah Nahhas	General Secretary	Aleppo Col
8	Mr. Basel Hamwi	Vice chairman	Damascus Col
9	Mr. Nabil Al Jajeh	Treasurer	Damascus Col
10	Mr. Haytham Halabi	Board Member	Damascus Col
11	Mr. Anas Aboujieb	Deputy General Manager	Damascus Col
12	Mr. Jamal Omar	General Manager	DITI
13	Ms. Lara Elsayed	Team Leader	CTDC
14	Ms. Boushra Yagan	Trainer	CTDC
15	Mr. Samir Seifan	Chairman	Syrian Management Consultants Association
16	Mr. Waeel Al Ghabra	Chairman	Syrian Textile and Garment Exporters Association (STGEA)
17	Mr. Myassar Baghdady	Board member	STGEA

#	Name	Title	Organization
18	Mr. Adib Ashkar	Deputy of Chairman	STGEA
19	Mr. Yasser Masry	Board Member	STGEA
20	Mr. Abd Al hakim Zahra	Member	STGEA
21	Mr. Nidal Bakour	Chairman	Hama Col
22	Mr. Fareed Sheikh Al Shabab	Member	Hama Col
23	Mr. Bassam Kubab	Member	Hama Col
24	Mr. Basel Abu Altawaky	Member	Hama Col
25	Mr. Muhamad Angary	Member	Hama Col
26	Mr. Zaher Kojan	Member	Hama Col
27	Mr. Mohammed Rabee	Member	Hama Col
<i>UN and other Development Organizations</i>			
28	Ms. Faten Tibi	Programme Analyst, Business Development Team Leader	UNDP
29	Mr. George Catinis	Director	SEBC in Aleppo
30	Mr. Philip Chiti	Expert	SEBC in Aleppo
31	Ms. Yuko Ido	Project Formulation Adviser	JICA
32	Mr. Masahiro Yamashita	Advisor	JICA
33	Mr. Luigi Amerio	Ambassador	Italian Embassy
34	Mr. Angel Gutierrez Hidalgo	Counselor	EU Delegation
35	Mr. Lars Flocke Larsen	Programme Officer	EU Delegation

#	Name	Title	Organization
36	Mr. Khaled EL MEKWAD	UNIDO Representative, Beirut, Head of Regional Office	UNIDO
37	Mr. Damiano Francovich	Economic Adviser	Embassy of Italy in Damascus
38	Mr. Paul Gasparini	Expert	Italian Cooperation in Damascus
<i>UMU Staff</i>			
39	Mr. Fouad Lahham	National Technical coordinator	UMU
40	Mr. Daniele Mazzanti	Chief Technical Advisor	UMU
41	Ms. Anita Travaini	Senior Technical Advisor	UMU
42	Mr. Nidal Taleb	Monitor officer	UMU
43	Ms. Mays ma'sess	Production officer	UMU
44	Mr. Hayan Abbas	Marketing officer	UMU
45	Ms. Kifah Gakmouk	Financial officer	UMU
46	Ms. Kinda Zuhdy	Secretary – administration	UMU
<i>International and National Experts/Consultant involved in the I'MUP</i>			
47	Mr. Wolfgang Wiegel –	Marketing Expert	International Consultant: Germany
48	Ms. Gloria Penati	Product Development Expert	International Consultant: Italy
49	Mr. Antonio Pireddu –	Production Planning Systems Expert	International Consultant: Italy
50	Mr R. Bensedrine.	Production Planning Systems Expert	International Consultant: Tunisia
51	Mr. Mohammed Bahjat Bilal Agha	National consultant	Trained & worked with the project

#	Name	Title	Organization
52	Mr. Ahmad Ammar Said	National consultant	Trained but did not work with the project
53	Mr. Mohamed Fahafeit	National consultant	Trained & worked with the project
54	Ms. Layla al Taweel	Finance Consultant	Worked with the project
55	Mr. Ryad Sukkar	HR Consultant	Worked with the project
56	Mr. Badee Afara	Production Consultant	Worked with the project
57	Mr. Ahnaf Sarrag	Marketing Consultant	Worked with the project
58	Mr. Ziad Arbash	Modernization Consultant	Worked with the project
59	Mr. Husny Azmeh	Environment Consultant	Worked with the project
61	Mr. Samir Rumman	Production Consultant	Worked with the project
62	Mr. Tawfik Murad	Production Consultant	Worked with the project
63	Mr. Husam Hasan	Finance Consultant	Worked with the project
64	Mr. Mustafa Sweid	Finance Consultant	Trained but did not work with the project
65	Mr. Walid Arja	Production Consultant	Trained & worked with the project
66	Mr. Fawaz al Laham	Production Consultant	Trained & worked with the project
67	Mr. Ali Balloukh	Production Consultant	Trained & worked with the project

Companies

1	Joudi	Supported by the I'MUP	Aleppo
2	Shabaa Alsham	Supported by the I'MUP	Aleppo
3	Al Khodari	Supported by the I'MUP	Aleppo
4	Zanobia & Sharma	Supported by the I'MUP	Aleppo
5	Naf Nofe	Supported by the I'MUP	Damascus

#	Name	Title	Organization
6	Asseel	Supported by the I'MUP	Damascus
7	Alwiam	Not supported by the I'MUP	Aleppo
8	Raji	Not supported by the I'MUP	Aleppo
9	Sharabati & Kabbani	Not supported by the I'MUP	Aleppo
10	Sharabati Co.	Supported by the I'MUP	Damascus
11	Assasa Co.	Supported by the I'MUP	Damascus
12	Rafall Co.	Supported by the I'MUP	Damascus
13	Homs Pascal	Supported by the I'MUP	Homs
14	Hadi	Supported by the I'MUP	Hama
15	Ghazal	Supported by the I'MUP	Hama
16	Eldorado	Supported by the I'MUP	Damascus
17	Solitaire	Supported by the I'MUP	Damascus
18	Technotex	Supported by the I'MUP	Damascus
19	Colortex co.	Supported by the I'MUP	Damascus

Annex D: Bibliography

This bibliography excludes the numerous internal project/programme reports and papers produced by UNIDO (e.g. project/programme documents, progress reports, expert reports, minutes of Steering Committee meetings, notes etc) that were consulted during the evaluation. Where it has proved necessary to make specific reference to, or quote from, a document, the full reference is footnoted in the text. Many, but not all the documents listed below have been published and are in the public domain.

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