

## Action Fiche for Syrian Arab Republic

### 1. IDENTIFICATION

Title/Number	In-Service Training Programme (IST)		
Total cost	EUR 10 000 000 EU contribution EUR 1 000 000 Syrian contribution (in-kind)		
Aid method / Method of implementation	Project approach – <i>partly decentralised management</i>		
DAC-code	11430	Sector	Advanced technical and managerial training

### 2. RATIONALE

#### 2.1. Sector context

Syria has entered a period of transformation and modernisation of its economy and society. It adopted its reform agenda in May 2006, the 10<sup>th</sup> Five-Year Plan (FYP 2006-2010), which set the priorities and targets for moving from a predominant state towards a social market economy. This transition presents Syria with major challenges, such as undertaking a broad diversification and expanding key priority sectors (including tourism). The development of human resources is acknowledged to be essential to achieve the economic reforms and, as such, training has been put high on the Syrian agenda. A prime ministerial act passed and allocated 3% of the budget for In-Service Training (IST), but still many challenges remain.

Labour market is under high pressure in Syria. It is derived from several streams that have low levels of work skills. It is characterised by: (i) increased labour supply pressures due to large cohorts of youth moving into working-age<sup>1</sup>, (ii) bigger labour force participation of women and, (iii) the legacy of an overstuffed public sector. 14% of the active workforce is unemployed and adult unemployment – a relatively new phenomenon – is increasing.

IST remains an *ad hoc* element offered by various players and scattered among a number of government entities (16 ministries are involved in the provision of post-secondary Vocational Education and Training (VET)). While issues related to Human Resources Development (HRD) are prioritised in the 10<sup>th</sup> FYP, there is still no comprehensive national IST policy. HRD remains a new concept in most public and private entities and training is still perceived as a cost (rather than an investment).

#### 2.2. Lessons learnt

This project will build on lessons learnt from past actions, such as:

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<sup>1</sup> An estimated 300,000 people join the Syrian labour market each year.

One beneficiary. IST is scattered among various actors and there is no single body mandated with its planning, development and supervision. However, given its mandate for overlooking the country's economic sectors, and in particular its objective to develop the SME sector, the Ministry of Economy and Trade (MoET) has been identified as the main beneficiary.

One specific sector and targeted results. The services sector<sup>2</sup> was selected given its added-value and potential to become a significant contributor to Syria's GDP. Tourism and its supportive services sectors (ICT, Creative and Folkloric Arts, SMEs and Entrepreneurship) have been identified considering their vital importance to the national economy of Syria.

### **2.3. Complementary actions**

Special attention needs to be provided to complementarities and coordination with other EU-funded programmes and other donors' actions in the field of education and vocational training, SME support, business environment simplification and trade enhancement.

In the past, a number of EU programmes have had IST components built into them. There has however not been any programme specifically targeting IST at policy, institutional and individual levels. As such, this is an innovative programme. A few other organisations (mainly UNDP, Japan International Cooperation Agency (JICA), GTZ, the European Training Foundation (ETF), the EIB, Cham Holding and Silatech) are supporting private sector development with some IST component but none of them has a specific programme targeting IST.

### **2.4. Donor coordination**

Donor coordination remains under the responsibility of the State Planning Commission and has been relatively weak. In late 2009, the SPC revived official aid coordination meetings grouped by major areas of assistance, which should continue in the future. EU will continue to play a leading role in coordination in line with the Paris Declaration, the European Consensus on Development and the EU Code of Conduct on Complementarity and Division of Labour in Development Policy. This project will be compliant with the EU Backbone Strategy in terms of ownership by the beneficiary thereby facilitating communication and efficiency.

## **3. DESCRIPTION**

### **3.1. Objectives**

The overall objective of the programme is the development of Human Resources in response to the needs of the Syrian social market economy. The project purpose is the development and improvement of the IST of the existing workforce so as to increase the employability and adaptability of the Syrian labour force in the services sector.

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<sup>2</sup> The workforce is currently distributed as such: (i) 26% of the active workforce works in the agricultural sector; (ii) nearly 16% in the industrial sector; and (iii) 58% in the services sector.

### **3.2. Expected results and main activities**

Expected Result 1. *Increased institutional capacity to formulate and unify a comprehensive and coordinated In-Service Training Policy and Strategy*

This programme will assist in proactive capacity development in order to reinforce national systems and in building capacity at the MoET (and other stakeholders) in the following:

**1.1** Coaching, training and expert TA in the design and implementation of a national IST policy, strategy and action plan;

**1.2** Coaching and expert TA on coordination of policies and reform activities on IST;

**1.3** Coaching and expert TA on developing, monitoring and evaluation of mechanisms and systems on the implementation of the national IST policy, strategy and action plan.

Expected Result 2. *Increased institutional and human resources development capacities of the In-Service Training providers through international accreditation*

The programme will build the capacities of existing public and private IST providers in the services sector and will establish a pilot IST provider in the services sector (tourism being a pilot sector). This IST provider will be modelled according to the SKILLS<sup>3</sup> centre.

**2.1** Mapping IST providers (i.e. public and private training centres);

**2.2** Training Needs Assessment (TNA) of IST providers in priority (sub) sectors;

**2.3** Provide training of trainers;

**2.4** Provide institution building support to IST providers (including establishing pilot SKILLS for priority services sector);

**2.5** Provide accreditation of trainers and IST providers.

Expected Result 3. *Increased human resources development capacities of individuals through TNA and delivery of training as well as on-the-job (OTJ) training*

This component will focus on the design, delivery and evaluation of thematic training modules that are devoted to serve the priority sectors.

**3.1** TNA of employees within priority sectors;

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<sup>3</sup> Superior Knowledge by Intensive Labour Learning Schemes is an initiative launched by the Syrian Enterprise and Business Centre (SEBC)/EU-funded SME Support Programme in cooperation with the European Training Foundation (ETF). The SKILLS concept emerged to build the skills of young people with promising potential. SKILLS aims to complement rather than replace traditional higher education through providing the youth with specific knowledge and diversified practical skills to help them perform their jobs efficiently and professionally.

**3.2** Develop training modules, training courses and sessions;

**3.3** Deliver and evaluate training courses;

**3.4** Provide on-the-job training.

Expected Result 4. Enhanced enabling In-Service Training environment

In collaboration with the Chambers of Tourism, this component will pilot two IST incubators (in Damascus and Aleppo) and it will focus on the design and implementation of an awareness-raising and communication campaign.

**4.1** Provide TA for the development of IST incubators;

**4.2** Assist in the design and implementation of an awareness campaign;

**4.3** Advisory services, workshops and study tours.

**3.3. Risks and assumptions**

Main risks:

- Lack of clear and agreed priorities of the relevant authorities on a national IST policy;
- Not support or commitment from the Syrian Government to the project activities;
- No senior level promoter of the IST concept;
- Resistance to change at different levels;
- Lack of success in creating and fostering public-private dialogue in furthering IST.

Risk mitigation:

- Active involvement of all stakeholders from earliest stage;
- Buy-in from the private sector;
- Implementation of a public awareness campaign.

Assumptions:

- Continued government commitment to the implementation of the economic reforms;
- Adoption of practices incorporating coordination, implementation and monitoring among ministries and private entities;
- Acceptance of the Syrian authorities of an increased role of the private sector in IST;

- Willingness from the Syrian business community to invest in IST and HRD.

### 3.4. Crosscutting Issues

IST project is coherent with EU cross-cutting issues. It intends to build the capacities of the labour force, which might contribute to good governance and human rights by means of tailored made IST modules targeting state and top management employment. The project will also support environmental sustainability by boosting environmental tourism and tackle gender issues as some activities will encourage women empowerment (notably those related to creative and folkloric arts).

### 3.5. Stakeholders

- The ongoing Syrian labour force – the target group.
- The Ministry of Economy and Trade (MoET) – the beneficiary and implementing agency of the programme.
- The Syrian Enterprise and Business Center (SEBC) – which is the technical branch of the MoET established by law decree.
- The State Planning Commission and other Ministries (such as the Ministry of Tourism).
- The Business Community and the Chambers of Tourism (cf. Annex II).

## 4. IMPLEMENTATION ISSUES

### 4.1. Method of implementation

The programme will be implemented under *partly decentralised management* through the signature of a financing agreement with the Syrian Arab Republic. The Commission controls ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts > 50,000 EUR and may apply ex post for procurement contracts ≤ 50,000 EUR. The Commission controls ex ante the contracting procedures for all grants.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the beneficiary country for operating costs and contracts up to the ceilings indicated in the table below. The responsible Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

Works	Supplies	Services	Grants
< 300,000 EUR	< 150,000 EUR	< 200,000 EUR	≤ 100,000 EUR

A **Project Task Force (PTF)** will be responsible for the programme at the operation level. It will be placed at the premises of the SEBC, which will work closely with the

MoET. Location of the PTF at the SEBC responds to the basic principles of the programme on better coordination and synergy between the different concerned ministries and the business community. The PTF will be assisted by key and non-key experts, through the awarding of a service contract, and by additional staff provided by the MoET. In line with the Backbone Strategy, the management rules for the PTF will be designed in a way that will ensure appropriation, ownership and leadership by the government. A Steering Committee will assume steering responsibility for the Programme. Memberships will include representatives of the stakeholders; the Delegation will participate in the meetings as an observer.

#### 4.2. Procurement and grant award procedures / programme estimates (PE)

The MoET will be the contracting authority but the Technical Assistance service contract, and the audit, evaluation and monitoring contracts will be directly contracted by the [European Commission](#).

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question. Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the ENPI Regulations. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in Article 21(7) ENPI.

All Programme Estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question. (i.e. the Practical Guide to procedures for programme estimates).

#### 4.3. Indicative budget and calendar

The indicative budget breakdown is as follows:

Categories	EU contribution EUR	Government of Syria contribution EUR	Total EUR
Services	6,000,000	-	6,000,000
Supplies	1,000,000	1,000,000	2,000,000
Operating Costs	2,000,000	-	2,000,000
Communication and Visibility	300,000	-	300,000
Contingencies*	300,000	-	300,000
Monitoring, External Evaluation and Audit	400,000	-	400,000
<b>TOTAL</b>	<b>10,000,000</b>	<b>1,000,000<sup>4</sup></b>	<b>11,000,000</b>

\* Contingencies may be used only with prior agreement of the European Commission

<sup>4</sup> This figure is indicative. Based on previous experience, the government's contribution is most likely to be in-kind contribution in terms of logistics (i.e. office facilities), local staff and office space.

The programme will have an indicative duration of 72 months following the signature of the financing agreement. The operational implementation phase is 48 months and the remaining 24 months are allocated for the closure phase.

#### **4.4. Performance monitoring**

Day-to-day technical and financial monitoring will be a continuous process as part of the Beneficiary and EU Delegation responsibilities. To this aim, a permanent internal, technical and financial monitoring system for the programme will be developed during the Inception Phase and will be included as part of the Inception Report. Regular monitoring missions from EU Headquarters will also be undertaken in order to measure progress of project implementation. Performance indicators have been developed but will need to be refined during the Inception Phase. At the objective and purpose levels, indicators will include measures for economic growth and employment. At the results level, indicators will include input, output and outcome indicators to measure training delivered, number of IST providers and trainers accredited, as well as number of pilot SKILLS services and incubators created.

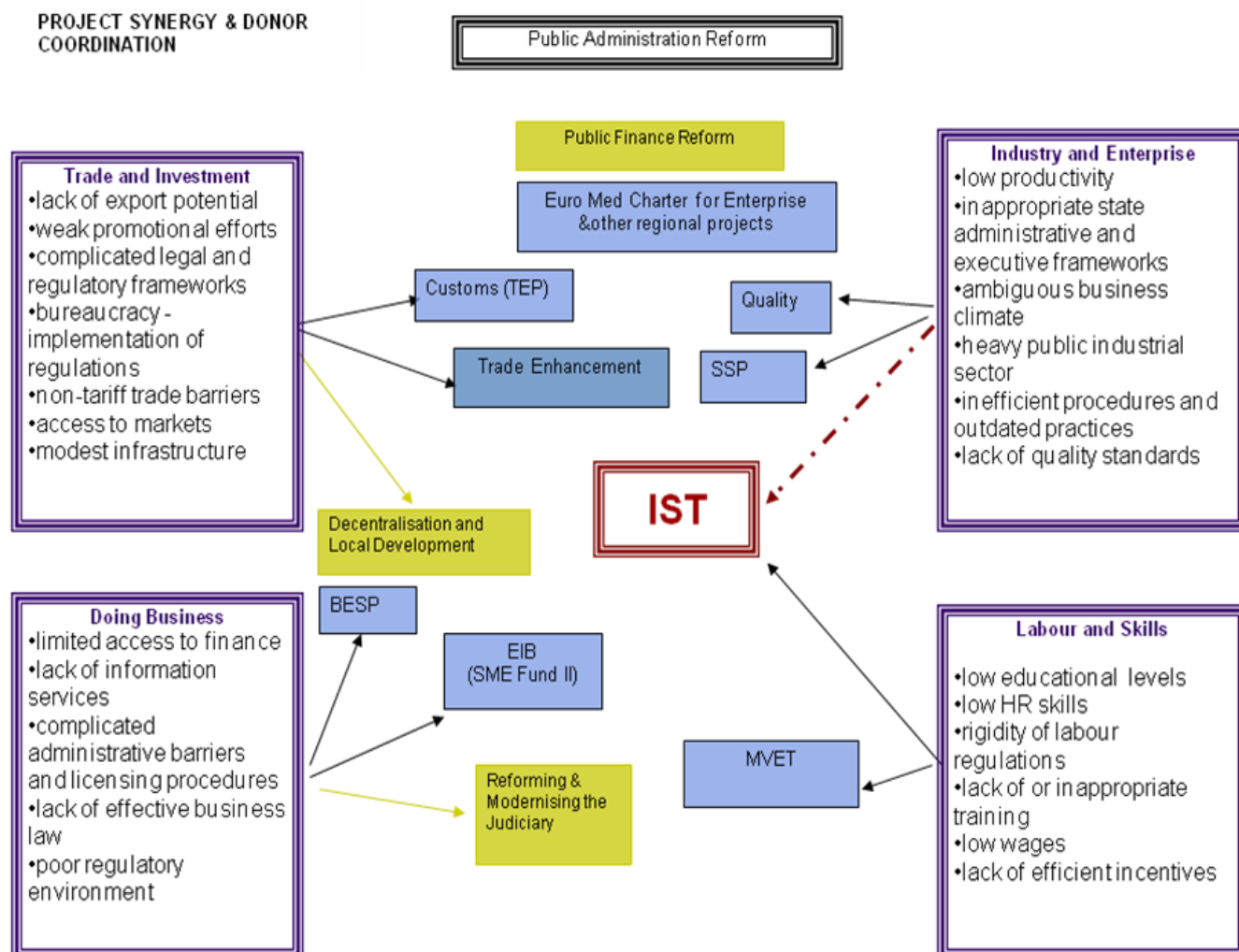
#### **4.5. Evaluation and audit**

The programme will undergo a mid-term review, a final ex-post evaluation and a final financial audit. The use of the Annual Programme Estimate budgets will also be audited. The EU Delegation will prepare the terms of reference and select the contractors for the financial audits and evaluation missions according to internal procedures. All audit and evaluation reports will be communicated to the government by the Delegation. The European Commission may send specific missions at any time to assess progress and adherence to EU procedures.

#### **4.6. Communication and visibility**

Communication and public awareness activities are key to the programme success and are grouped as a specific element in the Programme description under Result 4. Resources and efforts will be provided in order to gain the support of policy makers, ministry officials, the private sector and civil society at large. This support is crucial for the programme to deliver the intended results. This should be done in accordance with EU Visibility guidelines current at the time of implementation.

## ANNEX I: PROJECT SYNERGY AND DONOR COORDINATION



### • Ongoing EU programmes

MVET (closed in June 2009): Modernisation of Vocational Education and Training

SSP: SME Support Programme

TEP: Trade Enhancement Programme

BESP: Business Environment Simplification Programme

### • Upcoming EU programmes

SESP: Secondary Education Support Programme

IGEP: Industry for Growth and Employment Programme. Special attention will be given to its component 5 dealing with the establishment of a Social Fund.



## **ANNEX II: STAKEHOLDER ANALYSIS**

The target group of this programme will be the **ongoing Syrian labour force**, which will need to re-adapt itself with the transition process.

The following are the main stakeholders of IST:

- **The Ministry of Economy and Trade**

The MoET is the main regulator of the business domain in the country. Having the lead to grant and manage the commercial registrar, being the lead market surveillance entity all over the country and being the most active player “facilitator and coordinator” of the Syrian Small and Medium Enterprises (SME) sector. It already has experience in managing EU-funded programmes and will act as the main beneficiary of this programme.

- **The Syrian Enterprise and Business Center**

The EU-funded SEBC has extensive experience in management training. It helped the establishment of management training centres hosted by the Chambers in Damascus, Aleppo and Homs. The legacy of the SEBC was granted to the EU-funded 'SME Support Programme' to build up, in cooperation with the European Training Foundation (ETF), the SKILLS initiative that proved from early days of implementation high need, expectation and appreciation of both the supply and demand sides. The SEBC is also implementing a Training Needs Analysis (TNA) on behalf of the ETF.

- **The State Planning Commission**

The SPC will continue to perform its role of 'national coordinator'.

- **The Ministry of Tourism**

The MoT is the main regulator of the identified pilot sector within the priority services sector. It is also involved in training and re-training of employees in the tourism sector. It will benefit from the institutional capacity building at the policy level as well as a training provider and employer of trainers.

**The MoT would highly benefit from a Twinning Project once the Association Agreement is signed with the government.** The success of Tourism Twinning Projects in Egypt and Jordan would act as benchmarks for Syria’s Ministry of Tourism. As mentioned in a recent report submitted by Dr Stephan Thelen on behalf of the SSP to the EU Delegation “Competitiveness and value chain analysis of the Tourism Sector in Syria”, this sector will require a great deal of support not only in IST but with grants and trans regional know how dissemination combined with upgrading of their human resources.

- **The Business Community & the Chambers of Tourism**

The business community and the Chambers could provide valuable guidance to the Government on devising a clear and coherent IST Policy. The participation of the private sector will be essential in helping to formulate the policy, ensure sustainability of actions and raising awareness.