



Government of Syrian Arab Republic

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United Nations Development Programme

**"Trade Policy Reform and WTO Pre-Accession Phase 1"
SYR/08/007**

This project aims to strengthen the capacities of the Syrian Ministry of Economy and Foreign Trade and other mandated government institutions (State Planning Commission) to negotiate, interpret and implement trade agreements (bilateral, regional and multilateral) and to formulate appropriate policy responses to the challenges of integration with the global economy. The main beneficiaries will be the Ministry of Economy and Trade (MOET), and in particular World Trade Organization Directorate within the MOET, and other government ministries and institutions involved in the negotiation and implementation of trade agreements, especially the State Planning Commission and the WTO Inter-ministerial Taskforce.

This project will build on the results of the Preparatory Assistance for Trade Policy Reform and WTO Pre-Accession Project implemented by UNDP in 2005/2006 and just completed. However, its focus will not only be on the WTO accession, but also on trade policy reforms and negotiation of Trade Agreements at large. Further, while work on the harmonization of Syria's legal and regulatory framework in the areas of trade, investment and economic governance with international best practices and standards will continue, more emphasis will be placed on enhancing the capacities of the MOET to analyze the potential implications of deeper integration with the global economy and to formulate a trade strategy consistent with Syria's development goals. Finally, the project aims at enhancing cooperation among all stakeholders involved in trade policy formulation and implementation, in particular between the Inter-ministerial WTO task force and the WTO unit of the MOET and between the MOET and State Planning Commission.

COVER PAGE

Country: Syrian Arab Republic

UNDAF Outcome(s)/Indicator(s):

1: A socio-economic environment that enables sustainable growth, employment equity and protection of vulnerable groups in place.

Expected CP Outcome(s)/Indicator(s):

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

Expected Output(s)/Indicator(s):

A.2.2 Liberalization policies improved and legal framework upgraded including competitiveness issues.

Implementing partner:

Ministry of Economy and Trade

Programme Period: 2007-2011
Project Title: Trade Policy Reform and WTO Pre-Accession
Project ID: SYR/08/007
Start Date: 2009
End Date: 2011
Management Arrangement: NEX

Programme Budget:	US\$ 946,905
GMS Fee:	US\$ 23,095
Total Project Budget:	US\$ 970,000

Allocated resources:

- Government (C/S) US\$ 485,000
(Ministry of Economy and Trade)
- UNDP TRAC US\$ 485,000*

Agreed by: Dr. Taysser Al-Ridawi
Head of State Planning Commission
On behalf of the Syrian Government
and the State Planning Commission

Agreed by: Dr. Amer Hussnie Lutfi
Minister of Economy and Trade
On behalf of Executing Agency-Ministry of
Economy and Trade

Agreed by: Mr. Ismail Ould Cheikh Ahmed
Resident Representative – UNDP

Date:

Date:

Date:

17 Dec 2008

* UNDP contribution to the overall project will be 485,000 USD in addition to its contribution of 29,300 USD to the Preparatory Assistance phase.

Schedule of Payment

One installment:

Total Amount: USD 485,000 to be paid in February 2009

The payment will be made by the Ministry of Economy and Trade to UNDP Account:

UNDP

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Part 1a: Situation Analysis:

Country Economic Outlook:

Until recently, Syria exported agricultural commodities to the former Soviet-Block. Since the early nineties, the collapse of the Soviet Union weakened Syrian export performance in both agricultural and manufactured goods; however, the rapid expansion of domestic oil production outweighed the negative trend, and contributed to achieve a current account surplus from 1995 onwards. On the other hand, this fact has also rendered its economic fortunes highly dependent on international oil prices. Thus in 2002 oil revenue represented approximately 70% of total export earnings, while agricultural exports (mostly cotton, barley, wheat, live animals and fruit) around 20%. This leaves manufacturing exports at a rate of 9% of total exports only.

However, Syria's known oil reserves do not exceed 2 billion barrels and at the current production rate of 600,000 b/d the reserve will run out in less than 10 years. This implies that non-oil exports should increase dramatically to offset the expected loss in foreign exchange resources. Moreover, the former Socialist Block now accounts for only a small proportion of Syria's merchandise and oil exports, while the EU's share has grown from 30% in 1989 to around 40% (source: European Commission) in the period 2003-2004, a trend that is likely to continue. In 2004, the EU imported from Syria mainly energy (85%) followed by textiles and agricultural goods whereas its exports to Syria were composed of machinery and transport equipment (38%), mineral fuels (16%) and chemical products (13%).

Thanks to high oil prices and strong non-oil export performance since 2001 (see table 1), Syria's Trade Balance has been positive over this period. However this surplus has also caused Syrian imports to expand significantly. Thus, expenditure on imports rose, drawing in increasing amounts of consumer and capital goods. Syria's main exports include crude oil, refined products, raw cotton, clothing, fruits, and grains. The bulk of Syrian imports are raw materials essential for industry, vehicles, agricultural equipment, and heavy machinery.

Not surprisingly, along with this change in trade patterns there is a noticeable shift in policy towards export promotion. However, the causality between trade liberalization and export promotion loses one main premise, as the value share of imported intermediate inputs to total intermediate inputs is negligible for commodities that have high export potential (agricultural products, processed food, garments, linens, etc.). Consequently, we can assume that lowering tariffs will not significantly reduce the transactional costs of Syrian exports, but is sure to have other destabilizing effects on industrial output, balance of payments, employment and income distribution. Moreover, policy mix similar to the one used in East-Asian, consisting of protection of the local market and export promotion is no longer a feasible option; the current international trade environment no doubt indicates a much more difficult path to export promotion ahead of developing countries.

Table 1: Syrian Arab Republic: Selected Economic Indicators, 2001-06

	2001	2002	2003	2004	Prel. 2005	Proj. 2006
	(Change in percent, unless otherwise indicated)					
Real GDP	3.7	3.7	1.0	3.1	2.9	3.2
Real non-oil GDP	8.1	3.0	3.9	5.0	5.5	5.5
	(In billions of U.S. dollars, unless otherwise indicated)					
Balance of payments						
Balance of goods and services	11.7	13.1	12.1	13.8	13.5	14.9
Oil balance	3.0	3.0	2.4	1.3	0.7	1.0
Non-oil exports of goods and services	3.0	4.0	3.5	5.0	5.2	5.6
Non-oil imports of goods and services	-5.7	-6.2	-6.1	-7.5	-7.6	-8.4
Current account balance	1.2	1.6	1.1	0.0	-0.6	-0.6
Foreign direct investment (in percent of GDP)	0.5	0.5	0.7	1.1	2.0	2.5
Overall balance	3.0	2.4	0.8	0.2	-0.2	0.5
Official net foreign assets	14.3	16.8	17.6	17.8	17.6	18.2
(in months of imports of G&S)	29.5	29.3	31.1	24.6	20.9	21.4
Debt						
External debt (percent of GDP) 2/	17.4	16.9	18.1	19.7	25.0	22.6
Debt service-to-exports ratio (payments basis)	19.5	14.7	14.0	11.4	16.1	10.4
Exchange rates LS/\$ (period average)						
Official transaction rate	46.5	46.5	46.5	48.7	50.0	...
Parallel market rate (Beirut/Amman)	50.4	52.4	52.8	52.3	54.3	...
Weighted average nominal exchange rate 3/	48.1	49.1	49.2	50.5	52.2	...
Real effective exchange rate (1990=100)	59.6	57.0	59.0	58.9	59.9	...
(change in percent)	0.4	-4.3	3.5	-0.2	1.7	...

Sources: IMF Public Information Notice No. 06/89 August 7, 2006, based on data provided by the Syrian authorities; and staff estimates and projections.

1/ Including the Price Stabilization Fund and a broad coverage of public enterprises

2/ Most of the increase in 2005 is due to the recognition of the old Soviet era debt, which has been rescheduled in late 2004 to early 2005, and was not included in the historical data.

3/ Trade-weighted average exchange rate of official and parallel market rates.

Taking demand and increasing returns to scale as a fundamental yardstick, Syria should address this challenge by selecting industries in which it sees long-term competitive advantages and intervene to foster them in the international market arena. Even so, Syria needs to achieve and sustain double-digit annual rates of growth in its non-oil exports, for at

least a decade, to achieve the structural change in export structure it desires. However, increased competition from Southern Mediterranean countries and Eastern Europe, as a result of granting them more preferential trade treatment by the EU, is a major problem facing Syrian exports.

In essence, while international trade can expand markets, enhance competition, disseminate knowledge and create opportunities for growth and Human Development, lowering tariffs neither guarantees immediate economic growth nor longer-run economic or human development. Internal and external institutions and social pre-conditions largely determine whether and to what extent a country or population group benefits from trade.

Trade Liberalization Initiatives

Syria has been a centrally planned and relatively closed economy (protective tariff rates and pervasive non-tariff barriers, as well as a complex exchange rate system) until the early 1990s, when the Government decided to embark on an economic reforms program largely in response to changing external collapse of its main trading partner, the Soviet Union, and increasing competitive pressures, which affected adversely its economy. A first step was the adoption of Law No 10 in 1991 which offered investment incentives to foreign and domestic private investments. These included: tax breaks, customs duty concessions, increased freedom of capital movement, 100% foreign ownership of a company and the land used for business purposes, and opening of almost all sectors to foreign investment. The Law was amended several times from the year 2000 till now in order to correct some of its shortcomings, by providing more secure property rights and stronger legal protection to investors (right of appeal before the Arab Investment Court or any other international jurisdiction arising from agreements signed between Syria and the country of the investor).

As a corollary to the reform of the investment System, the government engaged in a gradual trade liberalization process through the adoption of various measures, in particular:

- Streamlining of customs procedures;
- Unification and significant reduction of customs tariffs ¹ to a maximum of 65 percent;
- Exemption of agricultural exports from agricultural taxes and income taxes; waiving of the export license system;
- Lifting of non tariff trade barriers: abolition of public sector monopolies on commodities imports; abolition of export licenses and waiving of the conditions for obtaining the approval of the Ministry of Economy when exporting commodities of foreign origin; abolition of the exclusive agency for the agent in Syria; amendments to the import licenses system, exempting a number of commodities from obtaining prior approval from the public sector establishments; unification of the method of settlement of value for commodities under the same category; upgrading of the provisions of foreign trade to be in harmony with the unified customs tariff; unification of exchange rates and import duties.
- Lifting of Foreign exchange restrictions: facilitation of access to official foreign exchange for private sector traders over the last two years²; reduction of the foreign

¹ Before 2002, customs duties consisted of several different taxes at the border that could accumulate up to 255 percent spread over 20 categories.

² About 65 percent (Source: IMF Country Report No06/295, 2006) of imported goods now traded in the official market (at an exchange rate adjusted daily to the parallel market rate to which a low spread is applied, respectively reducing/increasing the costs of imports/exports);

currency surrender requirement; abolition of the system that provides for payment of imports from foreign funds resulting from exports;

Trade liberalization was also experimented through the establishment of free trade zones, e.g. allowing industrial investors operating in these zones to devote 25% of the value of their foreign exports for local consumption. More recently, trade and investment have been encouraged through additional measures, in particular the reform of the Banking sector. A major development has been the authorization granted from 2004 to numerous foreign banks to open up branches in Syria.

In the past ten years, Syria's integration with the regional and global economies has been pursued through several channels. In 1997, Syria joined other Arab countries in the Greater Arab Free Trade Area (GAFTA). Trade is nearly fully liberalized with **Arab countries** since the beginning of 2005, both from a tariff and non-tariff **barrier** perspective. All imports coming from countries adhering to GAFTA enter Syria duty free (a 2 percent surcharge is applied)—and Syrian exports are treated similarly.⁶⁰ Licensing requirements have been removed as well as most import prohibitions. This suggests that substantial preferences are currently granted to GAFTA partners, in view of the prevailing tariff and non-tariff restrictions applied to Syria's non-GAFTA trading partners.

In parallel, in 2001, Syria applied for WTO membership, and in 2004, signed an Association Agreement with the European Union and an FTA with Turkey. The latter which provides broadly similar preferences to those in the Association Agreement with the EU is expected to become effective later in 2006.

Though WTO accession negotiations have not started yet and the agreement with the EU is not yet in force, these initiatives have given new impetus to economic reforms, in particular liberalization of the trade and investment regimes, and resulted in sharp reductions of tariffs and custom fees, particularly on imported equipment and intermediary goods. Efforts have been also made to streamline the import regime and the legal and regulatory frameworks in the areas of trade, competition and investment with the aim of promoting non oil exports and investments. However, deeper regional and global integration through trade agreements will require further changes in Syria's institutional and policy frameworks to meet WTO accession requirements and obligations derived from other trade commitments (association agreement with the EU), raising concerns in terms of compliance and adjustment costs in addition to potential implications on policy space and industrial development prospects.

In this regard, Trade liberalization, whether within the scope of the multilateral trading system or regional and bilateral agreements, should not be seen as an end in itself but rather as a means to achieve sustainable human development. The difficulty lies not so much in forging international agreements, but in taking the appropriate steps to make such agreements beneficial for the Syrian people. The latter depends ultimately on the capacity of Syria's government to negotiate, interpret and implement trade agreements (multilateral, regional and bilateral) in a manner which prioritizes poverty and human development concerns, and in its capacity to integrate pro-poor trade policy in national poverty reduction strategies. Syria's

international competitiveness needs also to be enhanced by addressing institutional, human, and other supply side bottlenecks.

Furthermore, joining WTO and entering into other trade agreements should be envisaged by Syrian Policy makers with caution, based on an in-depth analysis of their potential impact. In the same vein, the government needs to plan strategically the steps towards opening up the Syrian economy, in light of its history of state-led and planned economy, and forge a new vision of Syria's competitive advantages and dynamic gains from trade. A special attention should be paid to the impact of trade and investment policies on the productive system, notably the adjustment costs posed on the industrial sector to adapt to the international markets; namely in terms of potential spell of high unemployment, industrial sector restructuring and modernization, increased pressure on public enterprises by foreign competitors, modernization of the service sector, etc.

As mentioned in the recent UNDP Study "Macroeconomic Policies for Poverty Reduction: the case of Syria", the challenge for policy makers will lie particularly in creating a trade-market environment conducive to growth and employment creation, two key factors to reduce poverty³.

Recent economic trends and outlook⁴

Since 2005, the economy has proved quite resilient despite adverse political developments in the sub-region. Economic activity, particularly in the non-oil sector, was boosted by private investment, in turn partly fuelled by the oil boom in the Gulf region. The non-oil current account balance improved, offsetting the sharp fall in net oil exports. Public and external debts remained moderate, and official foreign reserves slightly increased, covering almost 2 years of imports (see table 1 above).

The recovery is expected to continue this year despite the still volatile regional environment, driven mainly by solid investment expansion and good export performance in non-oil sectors, which will benefit from greater access to regional Arab markets and promote efforts (e.g. tourism). This combined with the windfall from higher oil prices and an increase in Foreign Direct Investment, will contribute to maintain a comfortable balance of payments. The fiscal position is also expected to improve.

Notwithstanding these positive developments, both UNDP Macro-Poverty Study and IMF latest PIN foresee that "over the medium term, Syria faces daunting economic challenges. The decline of oil reserves poses a threat to fiscal and external sustainability, and the associated fall in oil revenues will make it harder to preserve, much less expand living standards. A bulge in labor market entrants will strain an already precarious unemployment situation and increase pressure to protect redundant labor in an overstaffed public sector. These challenges are further compounded by a volatile regional environment. In this context,

³ The high impact of growth in Poverty Reduction is demonstrated by the high elasticity of poverty measures to growth (- 2.95); while the importance of employment creation shows in the positive correlation between Poverty and Unemployment and in the high percentage of unskilled labour force within the poor. See. "Poverty in Syria 1996 – 2004"; Heba El Laithy, Khalid Abu Ismail; UNDP; June 2005.

⁴ This section draws largely on IMF Public Information Notice (PIN) No. 06/89 August 7, 20

the surge in international oil prices has provided a short-term windfall but will aggravate the medium-term outlook when Syria becomes a net oil importer around the year 2010 based on current oil price projections” (IMF 2006 PIN p. 1).

To address these challenges, the above mentioned UNDP report estimates that non-oil commodity exports need to grow by about 15 percent annually to offset the decline in oil exports. This could be envisaged only if Syria’s adopt “a mix of import substitution cum export promotion, a strategy that would emulate to a great extent the one pursued by the successful Asian countries”. It would also require overcoming “the domestic constraints posed by restrictive macroeconomic policies, an export unfriendly regulatory framework, low productivity and the lack of financing or support-services provided to exporters. However, this strategy is more difficult to follow for developing countries, including Syria, under present circumstances” (UNDP, 2005, p.42), in particular restrictive multilateral trade rules.

Part 1b: Strategy:

The proposed project is consistent with UNDP's corporate mandate to help developing countries achieve the MDGs and their sustainable human development goals, through the promotion of a more inclusive global economic governance system, pro-poor policy advocacy and capacity building initiatives. In the area of trade, the latter aim at building and strengthening three important capacities in developing countries, namely (i) the capacity to compete internationally by overcoming institutional, human, and other supply side bottlenecks; (ii) the capacity to negotiate, interpret and implement trade agreements (multilateral, regional and bilateral) in a manner which prioritizes poverty and human development concerns; and (iii) the capacity to integrate pro-poor trade policy in national poverty reduction strategies.

The proposed project is also in line with both the first and the second regional cooperation framework developed by the RBAS (2002-2005/2006-2009) which identifies globalization as one of its three main areas of strategic support because of its potential impact on poverty reduction, in its various dimensions. The second RCF specifically emphasizes the need to promote a more equitable globalization through policy advocacy and by strengthening the capacities of Arab countries to “engage in and shape multilateral trade regime”.

This initiative is finally consistent with UNDP Country Office commitment to support the current economic and trade policy reforms process in Syria and ensure that it is consistent with the country’s sustainable development goals, as reflected in Syria’s Tenth Five Year Development Plan and the ongoing Country Cooperation Framework (2002-2006). Its planned activities will relay UNDP global and regional efforts to advocate for a sustainable human development approach to trade liberalization and build the capacities of developing countries to effectively manage and reap the benefits of their integration with the world economy.

The project will build on the results of the preparatory assistance for trade policy reform and WTO pre-accession project. UNDP in cooperation with UNESCWA and UNCTAD will continue to provide training on technical aspects of the WTO accession (procedures, requirements) and WTO negotiations processes, in addition to explaining to decision makers and other key stakeholders the content of trade agreements and the stakes in ongoing discussions (under the Doha round), with emphasis on priority issues for Syria. UNDP in

coordination with UNCTAD and ESCWA will also reinforce the institution-building component of its assistance. After contributing to the establishment of the WTO Task Force in the context of the “Preparatory assistance for trade policy reform and WTO pre-accession” project, UNCTAD will continue to advise on its institutional framework and strengthen its preparation and negotiating capacities. UNDP will continue to promote informed public debates on trade issues among all stakeholders and support the formulation of a trade strategy consistent with Syria’s sustainable development goals as spelled out in the tenth five year development plan. To achieve the project objectives and maximize its impact, partnerships with other development institutions, will be sought for specific activities. In a similar way, synergies will be created with other ongoing national initiatives wherever relevant, in particular the UNDP Competitiveness and capacity building for Development planning projects, and the new regional trade and human development program.

Target beneficiaries

Direct beneficiaries: Senior Trade Officials from the Ministry of Economy and Trade and State Planning Commission, staff of the WTO Directorate within the MOET and members of the Inter-ministerial Taskforce in charge of WTO Accession Negotiations, representatives of the MOET and other ministries involved in the negotiation of other trade agreements;

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

Part III. Management Arrangements:

The project will be executed by the Syrian Government, represented by the Ministry of Economy and Trade (MOET), in conjunction with the State Planning Commission. The MOET and UNDP Country Office may appoint a National Project Director (NPD) according to UNDP rules and regulations. The NPD will work under the direct supervision of UNDP and the National Coordinator of this project (Director of the WTO Directorate) who is appointed by the Ministry, and will be responsible for the overall management of the project. His/her duties include: a) formulation of a project work plan; b) preparation of progress reports; c) management and coordination of project finance and outputs (ensuring timely delivery) d) Operations and Human Resources Management: recruitment of project staff, preparation of TORs for consultants, review invoices submitted by contractors and account for all logistics to the operations of the project (including auditing, inventory of equipment, etc.), and preparation of requests for direct payments to UNDP. In this respect, he will be the sole authorizing officer for all the project's financial transactions (i.e. approve all expenditures and sign all direct payments). A project assistant will be hired to support him/her.

Moreover, a Project Steering Committee (PSC) will be established to follow-up on the progress of the project activities and to resolve implementation problems. This Committee will be composed of representatives of MOET, SPC, NPD and UNDP Country Office. The Project Director will act as the secretary of the PSC, preparing the meeting's agenda and reports.

The UNDP's National Project Director will provide the Ministry of Economy and Trade and the State Planning Commission with the necessary logistical and administrative support for the implementation of the project against cost recovery mechanism.

Monitoring and evaluation will focus on outputs and their contribution (together with partnership efforts) toward the intended outcome. Information from monitoring will provide the basis for making decisions and taking action. The right mix of monitoring tools will be used including reporting (work plans, bi-annual progress reports), information sharing (feedback from consultants, UN partners and participants to the training courses) and regular contacts (phone, emails, visits). A project evaluation will be carried out by the Project Coordinator at the end of the project.

Part IV. Legal Context:

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of the S.A.R. and the United Nations Development Programme, signed by the parties on 12 March 1981. The host-country implementing unit shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government cooperating agency described in that document.

The following types of revisions may be made to this project document with the signature of the UNDP Resident Representative only, provided he is assured that the other signatories of the project document have no objections to the proposed changes:

- Revisions in, or additions of, any of the annexes of the project document.
- Revisions which do not involve significant changes in immediate objectives, outputs or activities of the project, but are necessitated by rearrangement of inputs already agreed to, or by cost increases due to inflation; and
- Mandatory annual revisions, which re-phase the delivery of agreed project inputs or expert or other costs due to inflation or take into account expenditure flexibility.

Part II. Results Framework:

<p>Intended Outcome as stated in the Country Results Framework: Enhance the capacities of the Syrian Ministry of Economy and Trade to negotiate, interpret and implement trade agreements (bilateral, regional and multilateral) and to formulate appropriate policy responses to the challenges of integration with the global economy</p>
<p>Outcome indicator as stated in the Country Programme Results and Resources Framework:</p> <ol style="list-style-type: none">1) Enhanced capacities of The World Trade Organisation Directorate to negotiate and implement trade agreements which requires: better understanding of trade agreements, enhanced negotiation skills and familiarity with regional and multilateral trade negotiation processes2) Enhanced capacity of the MOET to undertake trade policy analysis3) Clear and coherent (consistent with national development strategy) trade strategy and policy formulated4) Progress in negotiations of trade agreements,5) 1st draft of the WTO Memorandum on Foreign Trade Regime completed
<p>Applicable Strategic Area of Support (from SRF): Globalization, capacity development, Institutional and Policy Framework</p>
<p>Partnership Strategy: the project will build on the results of the preparatory assistance for trade policy reform and WTO pre-accession project. UNDP in cooperation with UNCTAD and ESCWA will continue to provide training on technical aspects of the WTO accession (procedures, requirements) and WTO negotiations processes, in addition to explaining to decision makers and other key stakeholders the content of trade agreements and the stakes in ongoing discussions (under the Doha round), with emphasis on priority issues for Syria. UNDP, in collaboration with UNCTAD and UNESWA, will also reinforce the institution-building component of its assistance. After contributing to the establishment of the WTO Task Force in the context of the "Preparatory assistance for trade policy reform and WTO pre-accession" project, UNCTAD will continue to advice on its institutional framework and strengthen its preparation and negotiating capacities UNDP will continue to promote informed public debates on trade issues among all stakeholders and support the formulation of a trade strategy consistent with Syria's sustainable development goals as spelled out in the tenth five year development plan. To achieve the project objectives and maximize its impact, partnerships with other development institutions, will be sought for specific activities. In a similar way, synergies will be created with other ongoing national initiatives wherever relevant, in particular the UNDP Competitiveness and capacity building for Development planning projects, and the new regional trade and human development program.</p>

EXPECTED OUTPUTS And indicators including annual targets	PLANNED ACTIVITIES List all activities including M&E to be undertaken during the year towards stated CP output	Detailed Activities	Responsible Party	Amount in USD
1. Role and capacities of WTO Directorate and inter-Ministerial National Committee in the fields related to WTO enhanced.	1.1 Improve awareness of officials in charge of trade and related sectors of WTO agreements and protocols (especially on rights and commitments)	<p>1.1.1.1. Creating and updating website for the Directorate containing database on topics related to the accession in Syria in English and Arabic.</p> <p>1.1.1.2. Training toolkits and guidance in Arabic published by the WTO Directorate on trade negotiations (briefs on various WTO/GATT agreements).</p> <p>1.1.1.3. Newsletter issued on a regular bases by the WTO Directorate</p> <p>1.1.1.4. Establishing a Library within the WTO Directorate containing important materials on WTO.</p> <p>1.1.1.5. Translating of WTO Rules, Regulations and Treaties into Arabic.</p> <p>1.1.1.6. Workshop to raise awareness of the Private Sector on the importance of their role in the accession to WTO.</p> <p>1.1.1.7. Workshop for journalists and parliamentarians on the accession to WTO.</p>	MOET & UNDP MOET & UNDP MOET & UNDP MOET, UNDP, UNCTAD & ESCWA UNDP UNDP, ITC and ESCWA UNDP & ESCWA	Contractual services: 11,000 \$ Designing and Printing Cost: 7,500 \$ Printing Cost: 10,000 Materials and Equipment cost: 15,000 \$ Contractual Services: 4,000 \$ Workshop Fees: 1,500 \$ Workshop Fees: 1,500 \$

	<p>1.2. Building the capacity of WTO Inter-ministerial Committee</p>	<p>1.2.1 Two Thematic and specialized training courses in Syria on WTO accession and negotiation processes (i.e. on rules and regulations).</p>	<p>UNDP & UNCTAD</p>	<p>DSA 246x 3 Days x 2 Experts= 1476 \$ + Travel Cost = 1500 x 2 = 3000 \$ + Transportation Fees= 100 x 2 x 2=400 \$ =4876 x 2visits= 9,752 \$</p>
	<p>1.2.2 Two Thematic and specialized training courses in Geneva</p>	<p>UNDP & UNCTAD</p>	<p>DSA337 x 8 people x 20days= 53,920\$ + Ticket fees= 1,000 x 8 people= 8,000 \$ + Transportation fees=100x8= 800 \$ = 62,720 \$x2trips= 125,440 \$</p>	
	<p>1.2.3. One Study tour to Geneva / or in the context of preparation for first Working Party meeting.</p>	<p>UNDP & UNCTAD</p>	<p>DSA337x10 days x 8 people=26,960 + Ticket fees = 1,000x8=8,000 + Transportation fees 100x8=800 =35,760 \$</p>	

	<p>1.3. Building the capacity of WTO Directorate within the Ministry of Economy and Trade</p>	<p>1.3.1. Capacity Building Courses for the WTO Directorate in the following:</p> <ul style="list-style-type: none"> - Languages - Management Skills - Computer Sciences - Technical and Logistical support for the WTO Directorate Requirements 	UNDP	<p>Courses fees: 52,543 \$</p>
	<p>1.4. Better understanding by MOET and SPC of potential challenges and opportunities associated with FTAs</p>	<p>1.4.1. Two Policy oriented papers: one assessing Syria's experience with GAFTA and one analyzing other trade policy options (FTAs with the EU and with other countries) and their potential implications.</p>	UNDP, UNCTAD & ESCWA	<p>International Consultants = 500 Fees x 10 Days x 2 Experts=10,000\$ + DSA 246 x10 Days x 2 Experts = 4920 \$ + Transportation Fees=100 x 2=200 =15,120 \$</p>
		<p>1.4.2. At least 2 studies on policies and 2 workshops on EU conventions and other FTAs, especially Arab GAFTA and GATS.</p>	UNDP, UNCTAD & ESCWA	<p>International Consultants: Fees 500x12 days= 6,000x2 studies= 12,000 \$ Workshop= 3,500\$ =15,500 \$</p>
	<p>1.5. Project Management</p>	<p>1.5.1 Recruiting National Project Director and Admin. And finance assistance to manage the project.</p>		<p>NPD 3,000 x36 month =108,000 + Admin-Finance = 650\$ x 36 month =23,400 \$ + Contractual Services= 70,000\$ =201,400 \$</p>

<p>2. Harmanization in theory and practice between Domestic Laws and WTO Rules and Regulations achieved</p>	<p>2.1. Legal Research and Trade Policy Analysis Unit established and fully operated in the MOET for updating, revising domestic Economy and Trade laws, monitoring the application of new laws and regulations and suggesting comprehensive trade policies.</p>	<p>2.1.1.1. Draft TORs and Staffing (recruitment of 3 national trade economists and experts in international law).</p> <p>2.1.1.2. Draft TORs for Policy Papers and identification of trade experts for each topic that would advise and provide the framework for the consultants.</p> <p>2.1.1.3. Prepare at least five studies on:</p> <ul style="list-style-type: none"> - Tariff policy, - Services, - Intellectual copyrights, - Agriculture, - Textiles and leather industries produced. 	<p>UNDP & UNCTAD</p> <p>UNDP & ESCWA</p> <p>UNDP, UNCTAD and ESCWA</p>	<p>Staff recruitment 1,000x12months x 2 years x 2staff = 48,000 \$ International consultancy 4,000 \$= 52,000\$</p> <p>International consultancy 1,500 \$</p> <p>National consultant 4,000 \$ + International Consultants = 10,000 x 3 studies =30,000 \$ + DSA246x 2experts x 5 days =2,460 \$ + Tickets cost 1,000 x 2 experts x 1 visits =2,000 + Transportation Cost 100 x2 =200 \$ = 38,660 \$</p>
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		<p>2.1.4 Organization of a workshop by the MOET to discuss the findings of these papers with other concerned stakeholders.</p>	<p>UNDP, UNCTAD and ESCWA</p>	<p>Workshop fees: 3,000 \$ + DSA246 x 2 experts x 4 days = 1,968 \$ + Tickets Cost = 1,000 x 2 experts = 2,000 \$ travel 100x2 = 200 = 7,168 \$</p>
		<p>2.1.5. Conducting a number of sectoral studies aiming at analyzing the sectors current situation in order to draw successful Negotiation strategies within each sector.</p>	<p>UNDP, UNCTAD and ESCWA</p>	<p>National and International consultancy fees: 13,000 x 3 studies = 39,000 \$</p>
		<p>2.1.6. Conducting a study assessing the impact of trade liberalization and accession to WTO on economic, social environment in Syria taking into consideration gender aspects.</p>	<p>UNDP & UNCTAD</p>	<p>National and International consultancy fees: 6,000 \$</p>
		<p>2.1.7. Conducting Economic analysis to discuss positive and negative aspects of the Intellectual Property Treaties.</p>	<p>UNDP, UNCTAD and ESCWA</p>	<p>National and International consultancy fees: 8,000 \$</p>
		<p>2.1.8. Recruiting Expert to assess the impacts of trade on gender.</p>	<p>UNDP</p>	<p>National and international Consultants fees: 3,778 \$</p>

	<p>2.2. Syria's Trade related laws and regulations revised based on the proposed trade strategy</p>	<p>2.2.1. Revision of General Trade and Commercial Enterprise Laws</p> <p>2.2.2. Revision of Banking and Insurance Laws</p> <p>2.2.3. Revision of Companies and Finance Laws</p> <p>2.2.4. Prepare a Report with recommendations for the revision of these laws</p>	<p>MOET, UNDP, ESCWA and UNCTAD</p>	<p>International Consultants: fees 15,000 report= + DSA246x 3experts x11 days= 8,118\$ + fees 400 x 3experts x 11 days = 13,200 \$ + Tickets 1,500x 3= 4,500 \$ + Travel expenses 100 x 3 =300 \$ = 41,118 \$</p>
	<p>2.3. Capacity development of the concerned officials at the Ministry of Trade and Economy and the Syrian Investment Authority concerning International Investment treaties.</p>	<p>2.2.5. Training the taskforce on subsidies dumping to prevent anti-dumping. In addition to applying E-Trade.</p> <p>2.3.1. Distant learning courses on the highlight issues of international investment treaties, in cooperation with UNCTAD.</p> <p>2.3.2. A Training Seminar for the Syrian officials (The Investment Treaties Negotiations Team) on the Negotiation Skills and Application of the International investment Treaties, particularly the primary subjects of treaties and identifying disputes and WTO investment treaties.</p>	<p>UNDP& ESCWA</p> <p>UNDP & ESCWA</p> <p>UNDP & UNCTAD</p>	<p>Training Cost: 1,000 \$</p> <p>Training Cost: 1,000 \$</p> <p>Training Cost: 2,000 \$</p>

		<p>2.3.3. Training Seminars to raise awareness for the government officials concerned with International Investment Treaties.</p>	<p>UNDP & UNCTAD</p>	<p>Training Cost: 20,000 x 2seminars = 40,000 + DSA 246 x 2 experts x 10 days = 4,920 \$ + Tickets Fee = 1,500 x 2 experts x 2 visits = 6,000 \$ + Transportation Fee = 100 x 2 x 2 visits = 400 \$ = 51,120 \$</p>
	<p>2.3.4. Consultation Services on the fundamental technical assistance procedures of the International Investment Treaties Negotiation Pattern</p>	<p>UNDP & UNCTAD</p>	<p>Consultancy fees: 1,400 \$</p>	
	<p>2.3.5. Providing experience on the primary principles of international law concerning investment.</p>	<p>UNDP & UNCTAD</p>	<p>Consultancy Fees: 1,400\$</p>	
<p>2.4. Institutional Support provided to the Syrian Authorities for applying the competition Law.</p>	<p>2.4.1 Draft a report on the institutional framework, staff instructions manual, implementation guidelines and regulations</p>	<p>UNDP & UNCTAD</p>	<p>International Consultants 3 x 25 days = 75 days x 400 fees = 30,000 \$ + Travel = 14,000 \$ = 44,000 \$</p>	

		<p>2.4.2. Two training Workshops for the staff and two stakeholders workshops to discuss the draft institutional framework and regulations</p>	UNDP & UNCTAD	<p>DSA 246 x2experts x 3 days =1,476 \$ + Tickets cost 1,500 x2 experts = 3,000 \$ + Travel 100x 2 experts =200 \$ + Workshops Fees 4,000\$= 8,676 \$ x 3 seminars = 26,028 \$</p>
		<p>2.4.3. One study tour for officials in-charge of establishing the competition Bureau, 2 advocacy workshops to publicize the law</p>	UNDP & UNCTAD	<p>DSA 337 x2 people x 7 days =4,718 \$ + Ticket cost = 1,000 x 2 People = 2,000 \$ + Transportation cost = 100 x 2 People = 200 \$ = 6,918 \$</p>
		<p>2.4.5. Promotion workshops for the Law and training programmes for the judiciary.</p>	UNDP & UNCTAD	<p>Workshops (4) and 2 back to back activities 24,270 \$ Publicity Materials 8,470 \$ = 32,740\$</p>

3. Drafting the Memorandum of Foreign Trade Regime	3.1. Completing the first draft of the MFTR according to the Framework of WTO Secretariat	3.1.1 Write a comprehensive trade strategy and political framework that will be accepted by all the parties concerned	MOET, UNDP, ESCWA and UNCTAD	National Consultant = 7,500 \$ International consultancy = 500 fees x 2 experts x 15 days = 15,000 \$ + DSA 246 x 2 experts x 15 days = 7,380 \$ + Tickets cost 1,500 x 2 = 3,000 \$ + Transportation 100x 2 = 200 \$ = 33,080 \$
	3.2. Write a comprehensive trade strategy and political framework that will be accepted by all the parties concerned	3.2.1. Review of Syria's Trade regime (Customs tariffs and TBT)	MOET, UNDP, ESCWA and UNCTAD	Consultancy fees: 5,000 \$
		3.2.2. Compilation of updated information on Syria's Foreign Trade regime	MOET	

		<p>3.2.3. Finalization of a draft memorandum</p>	<p>MOET, UNDP, ESCWA and UNCTAD</p>	<p>International consultancy = 500 fees x 15 days x 2 experts = 15,000 \$ + DSA 246 x 2 experts x 15 days = 7,380 \$ + Tickets cost = 1,500 x 2 = 3,000 \$ + Transportation cost 100 x 2 = 200 \$ = 25,580 \$</p>
<p>4. The competitiveness of Syrian exports to match the</p>	<p>3.3. Study the possibility of establishing a special bureau in Geneva to follow up WTO accession issues.</p>	<p>3.2.4. Submission of the 1st draft to the WTO inter-ministerial Committee concerned with the accession to the WTO.</p>	<p>MOET</p>	
	<p>3.3.1 Supporting the WTO accession process through establishing the link between WTO and the inter-ministerial committees in Damascus.</p>		<p>MOET</p>	<p>Study fees: 3,100 \$</p>
	<p>4.1. Support the establishment of Export Promotion Agency</p>	<p>4.1.1 Conduct socio-economic study on the impact of establishing the Export Promotion Agency on Syrian Economy</p>	<p>UNDP and ITC</p>	<p>National and International consultancy 3,100\$</p>

<i>international standard enhanced</i>	4.1.2	Structure and legal framework for the establishment of Export Promotion Agency put in place	UNDP and ITC	National and International consultancy 3,100 \$
	4.1.3	International Consultants to propose the draft organizational structure TORs for the Agency	UNDP and ITC	National and International consultancy 3,100 \$
			Prog. Budget: 946,905\$	
			TRAC: 485,000\$	
			Cost Sharing: 485,000\$	
			GMS Fee: 23,095\$	
			Total: 970,000 \$	