



**Government of the Syrian Arab Republic
State Planning Commission
&
the
Ministry of Communication and Technology
&
the
United Nations Development Programme**

Project Title:

“Modernization of Postal Services

**Project No.
SYR/09/003**

Brief Description

The ultimate objective of this project “Modernization of Postal Services” is to support the Syrian Government in its efforts to implement the Administrative Reform Programme under the umbrella of the E-Government. The project will support the Postal Sector at the level of strategic planning and policies including legal and institutional levels. . Towards this objective, the project will be focusing on four main components: i) Develop postal sector policy ii) Design the Universal Post Services Strategy based on market needs and costs; iii) Identify the Legal framework to formalizing the enterprises that are illegally engaged in delivery postal services , iv) Develop the Regulator , as the legal entity of the public operator

**United Nations Development Programme
Country: Syrian Arab Republic**

UNDAF Outcome(s)/Indicator(s):

Outcome 2: Efficiency and accountability of governance structures at central and local levels strengthened, by government, civil society and the private sector, towards sustainable development.

Expected Outcomes/Indicators (CPD/CPAP outcomes)

B.4 Improved administrative services for citizens and courts' administrations taking into account citizens' rights and the needs of vulnerable groups

CPAP Expected Outputs: B.4.1 Better targeting, access to improved public services enhanced through procedures simplification

Implementing partner: Ministry of Communication & Technology

Other implementing partners: State Planning Commission

Programme Period:	2007-2011
Programme Component:	Fostering Democratic Governance
Intervention Title:	"Modernization of Postal Services"
Project ID:	SYR/09/003
Project Duration:	2 years
Management Arrangement:	NEX

Budget :	US\$ 370,238.00
GMS Fee	US\$ 13,012.00
Total budget:	US\$ 383,250.00
Allocated resources:	
Min of Com & Tech	US\$ 273,250.00
UNDP/ Regular	US\$ 110,000.00
Others	

Agreed by:

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Date:

Schedule of Payments

The Ministry of Communication and Technology shall contribute to the project the amount of US\$ 269,350.00, in accordance with the schedule of payments set out below:

<u>Date of Payment</u>	<u>Ammount US\$</u>
Upon PD signature	173,250.00
1 st January 2011	100,000.00

Acronyms and Abbreviations

CPAP	Country Programme Action Plan
CPD	Country Programme Document
DP	Development Programme
GoS	Government of Syria
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MoCT	Ministry of Communication and Technology
NPC	National Project Coordinator
NPD	National Project Director
SPC	State Planning Commission
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UPS	Universal Post Services
UPU	Universal Post Union

Postal Sector Development Plan

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Executive Summary

UNDP and Ministry of Communication and Technology in Syria have started a reform project of postal sector. This Project was divided into two phases:

- **Preparatory Phase:** This phase aims to prepare all studies and strategic plans needed to effectively start the modernization process after developing a realistic Development programme (DP). The duration of this phase was around 24 months (starting from June 2007 to June 2009).
- **Implementation Phase:** It aims to implement designed strategic plans and study their impacts. The expected duration of this phase will be around two years (depending on the targeted objectives that need to be achieved) as explained in chapters 4 and 5 of this document.

In designing the Development programme (DP) for Postal Sector in Syria, the following points were taken into consideration:

- The main findings of the strategies and studies developed during the preparatory phase of the modernization process of postal sector in Syria.
- UPU overall strategy for postal modernization, which is based on “integrated postal sector development plan”, introducing structured and systematic process building on 20 years of experience in useful (or not) matters within the course of postal sector development process. This approach was issued in January 2007 and available on internet, containing the extract of 80 countries’ experience that had been already undergone postal sector reform and development processes. These countries’ experiences was presented within work plan form of which every country can implement in order to ensure reforming and developing their postal sector in a practical, deliberated and secured manner.
- Integrated plan for postal reform and development in Syria of 2005, prepared by Najeeb Boularas, the UPU regional representative and consultant for Arab region, and Gamal Fathi Zeghlami, a UPU consultant.

The first chapter of this document reflects the current situation of postal sector in Syria and presents the main findings of the strategies and studies developed during the preparatory phase of the modernization process of postal sector in Syria. The work strategy of this phase was based on analyzing of the following areas of intervention:

- *Market level*
- *Legal level*
- *Operational level*
- *Organizational level*
- *Services level*
- *Infrastructure level*
- *ICT level*
- *Human resources level*
- *Visibility and publicity level*

The relationship between the current development plan and the Integrated plan for postal reform and development in Syria of 2005 based on which the postal service development and modernization project (Easy Post) document, in its preparatory phase, had been formulated and presented in this chapter.

The implementation plan for actions of postal service development and modernization was divided into two parts.

The second chapter of this document presents the characteristics and different components of the Development programme (DP) in Syria at the level of Postal Sector only (this level concerns only the first part of postal development plan).

Detail of the intended outcomes and activities related to the Development Programme (DP), together with scheduled timetable and estimated costs are presented in chapter three of this document.

Chapter One: The Situation of Postal Services in Syria

Source: the following is the source of all information cited herein:

1. Integrated plan for postal reform and development in Syria of 2005, prepared by Najeeb Bouleras, the UPU regional representative and consultant for Arab region, and Gamal Fathi Zeghlami, a UPU consultant (Para. 2).
2. Strategies and studies developed by international experts during the project preparatory phase (Para. 3 and 5).
3. Memorandum of Understanding (MoU) of the project of government service modernization and development (GSR) signed by Ministry of Communication and technology (MOCT)/General Establishment of Post (GEP) and UNDP (Para. 4).

1. INTRODUCTION.

UNDP and Ministry of Communication and Technology in Syria have started a reform project of postal sector. This Project was divided into two phases:

- **Preparatory Phase:** This phase aims to prepare all studies and strategic plans needed to effectively start the modernization process. The duration of this phase was around 24 months (starting from June 2007 to June 2009).
- **Implementation Phase:** It aims to implement all designed strategic plans and study their impacts. The expected duration of this phase will be around two years (depending on the targeted objectives that need be achieved) as explained in chapter 3 of this document.

In designing the future implementation phase agenda of the project, the following is taking into consideration:

- The main findings of the strategies and studies conducted during the preparatory phase of postal modernization process.
- UPU overall strategy for postal modernization, which is based on “integrated postal sector development plan”, introducing structured and systematic process building on 20 years of experience in useful (or not) matters in the course of postal sector development process.
- Integrated plan for postal reform and development in Syria of 2005, prepared by Najeeb Bouleras, the UPU regional representative and consultant for Arab region, and Gamal Fathi Zeghlami, a UPU consultant.
- Study and implementing actions related to MoU between MoCT/GEP and SPC, on the one hand, and UNDP, on the other hand, within GSR project (SYR/05/23).

The chapter two of implementation plan addresses the key conclusions derived from reviewing the status quo of the Syrian postal sector and the relationship between the current development plan and the integrated plan for postal reform and development in Syria of 2005 based on which the postal service development and modernization project (Easy Post) document, in its preparatory phase, had been formulated. For the main findings of the strategies and studies conducted during the project preparatory phase, see the final report and/or the paragraph 3 of the current chapter of this report which outlines the most important recommendations and development programme of this phase's works.

2- Recommendation of Integrated plan for postal reform and development of 2005

During June 2005, GEP developed an integrated plan for postal reform and development in cooperation with Najeeb Bouleras, the UPU regional representative and consultant for Arab region, and Gamal Fathi Zeghlami, a UPU consultant.

This plan has presented a point from which GEP and UNDP start to formulate the work document of postal service development and modernization project (Easy Post).

Hereinafter, the key recommendations proposed to be implemented by the integrated plan will be presented and the relationship of this plan with the outputs of the preparatory phase of Easy Post project will be highlighted. Then the integration between the integrated plan of 2005 and the upcoming implementation phase of Easy Post, set out in this report, will be explained.

The integrated plan of 2005 recommended that it should take an interest in the following components representing the elements of the plan for postal reform and development:

1. Define the universal postal services "UPS" of the country;
2. Introduce the sector policy by the government;
3. Develop the legal reform and regulation function;
4. Reform the postal services through developing and modernizing the services of national operator responsible for the universal service.

The plan thereafter presented the basic studies that should be carried out in order to initiate achieving the previous objectives (page 39), including:

1. UPS analysis and development;
2. Market study;
3. Sector policy development;
4. Development of organization implementation plan;
5. Postal law development;
6. Development of regulation function;
7. Development of the investor/operator responsible for UPS;
8. Contribution in cost control.

The Easy Post preparatory phase's document provided for implementing some of these studies (including studies 1, 2, 5, 7 & 8) through developing commercial strategy for GEP; conducting preliminary study on postal market; proposing regulatory framework suitable for the goals of postal reform and development process; preparing a strategy for training and rehabilitating GEP's staff; analyzing the operation processes carried out currently within GEP and recommending appropriate measures required to operation optimization and quality improvement. A proposal has been also presented for preparing sector policy form outside of the project, but in accordance with the objectives should be intended by regulatory reform of the post sector. As regards the remaining studies (4 & 6), they are associated with regulation actions that should be implemented in Syrian post sector and developing its regulatory authority and putting it in effect.

The current development plan has been prepared in line with UPU recommendations provided for in UPU overall strategy for postal modernization that is built on "integrated postal development plan", therefore, this plan is prepared in order to fit and complement the integrated plan of 2005, as set out in the chapter 3 of this report.

3- Summary of implementation recommendations of Easy Post preparatory phase

During Project "Preparatory Phase", UNDP work strategy was based on analyzing the following areas of intervention:

- Market level*
- Legal level*
- Operational level*
- Organizational level*
- Services level*
- Infrastructure level*
- ICT level*
- Human resources level*
- Visibility and publicity level*

Next few sections present the main findings of the above mentioned studies.

3-1 Proposal for postal sector policy of Syria

In the past, Syria has had no postal sector policy in place taking into consideration the developments occurred in this sector at the national and international levels. The few developments in this sector have happened without any guidance or follow up with a view to regulate and drive it, resulting in increase of problems and difficulties in terms of follow up of UPS provision and improvement and increase the offered commercial postal services.

It should be noted that the law No. 1 of 2004, which represented a good basis for regulating the postal business in the past, has not clear guidelines on Syrian postal sector development, because it mainly focused on the work processes introduced in the time of separating between postal and communication services at nationwide level. The exclusiveness of some postal services has not been maintained for GEP because of the postal market need and the client insistence for liberating them.

The Syria postal sector is facing many challenges related to several factors, including: lack of suitable policy; lack of a structure regulating the postal business in a view of eliminating informal postal market; absence of comprehensive business strategy for providing customer-driven commercial postal services.

Postal sector policy aims at developing and modernizing it in order to be able to:

- Cope with social, economic and technological changes that the country experiences;
- Meet the increasing postal market needs while ensuring the basic postal services are provided continuously to all citizens with high quality and affordable prices.

This policy is based on the following vision:

“To develop modern, universal and nationwide postal services providing an added value and effective contribution in the social and economic development of the country”

The following points are considered key objectives of the postal sector policy:

1. High quality postal services achieved and upgraded;
2. Postal service network capability and capacity increased;

3. Postal service market regulated;
4. Investments attracted;
5. Private sector involvement in postal service development encouraged and increased; and
6. Integration with the communication and technology sector policy achieved.

Accordingly, a proposal for postal sector policy has been presented so that it contains the following aspects:

1. Postal sector institutional environment
2. Postal market structure and its services segmentation
3. Universal post services
4. Post stamps issuance
5. National system of post addresses

3-2 Proposal for new legal framework

It included a proposal for a new postal law containing the following chapters and sections:

Chapter one:

Section one: definitions and general provisions

Chapter two:

Section one: conditions applied on GEP

Chapter three:

Section one: inclusive access to service

Section two: exclusive services

Section three: postal ratios, tariff and accounting

Chapter four:

Section one: licenses

Chapter five:

Section one: regulating authority

Chapter six:

Section one: postal services

Chapter seven:

Section one: sanctions

Chapter eight:

Section one: miscellanies

Also, a complete system of authorization was designed, and included the following:

- Regulatory framework of authorization processes;
- authorization approach;
- Postal activities types should be authorized;

- Some of basic authorization;
- License application forms.

3-3 Proposal for formulating the UPS concept

This Syria Universal Postal Service Study concludes the findings of four aspects of universal service in Syria; universal service definition, costing universal service, financing universal service and delivering universal service.

UNIVERSAL SERVICE DEFINITION

The current definition is based on the loose principle of universal service defined by the Universal Postal Union. It covers only postal services and does not define access standards, quality standards or principles of pricing. This study has taken best practice from the UPU, the European Union and Jordan to propose a standard to meet the needs of the people of Syria. The proposed definition is shown below:

GENERAL PROVISION OF UNIVERSAL SERVICE IN SYRIA	
Government shall ensure that users have the right to universal service involving the permanent provision of a postal service of specified quality at all points in Syria at affordable prices for all users	
<u>PRODUCTS</u>	<ul style="list-style-type: none"> • Postal items to 2Kg's • Postal packages to 20Kg's <ul style="list-style-type: none"> ▪ To 20Kg's received from other UPU members • Registered and insured items to 5Kg's
<u>ACCESS</u>	<ul style="list-style-type: none"> • Syria Post shall provide permanent postal service access not more than ()km from a cluster of at least () adults • Access shall be provided 5 days per week between 0800 and 1500 as a minimum • A minimum of one clearance of mail from, and one delivery to each access point each working day (not less than 5 days per week)
<u>PRICING</u>	<ul style="list-style-type: none"> • Prices must be affordable so that all users have access to the services • Prices must be geared to costs, be transparent and non-discriminatory • The postal regulator shall have the power to approve or amend any such rates of postage or tariffs prescribed by the Universal Service Provider • Te postal regulator may decide whether a uniform tariff should be applied • The application of a uniform tariff does not prevent the universal service provider concluding individual agreements on prices with customers • Non-universal services must not be subsidised by universal service products
<u>QUALITY</u>	<ul style="list-style-type: none"> • Quality shall be set according to standards determined by the Postal Regulator • The postal regulator should set scheduled performance targets (based on network limitations) and actual performance targets • Independent performance monitoring shall be carried out at least once a year

The definition is based on providing minimum standards of universal service. It leaves scope for the regulator to more specifically define quality of service and pricing to

ensure universal service is achieved in the most cost effective way, whilst maximizing quality.

COSTING UNIVERSAL SERVICE

The cost of universal service in Syria for the financial year 2006 is calculated as:

SP 61,817,954

This figure has been calculated based on the following hypothesis:

If Syria Post were a commercial organization without a universal service obligation, what would be the extent of its network?

The use of this hypothesis was based on reviews of universal service costing models and their applicability to Syria. Two models widely used in Europe were considered inappropriate due to the nature of postal revenues in Syria. In Europe mail comprises a major portion of revenues whereas in Syria mail comprises a relatively small amount of total revenues. The postal network in Syria is equally important for providing pensions, fiscal stamps and other Government services as it is for providing mail services.

The use of this method is not without precedent and recent subsidies in Europe would bear this as a logical model to estimate the cost of universal service. Both the Swedish and UK Governments have provided explicit subsidies to the universal service operators for the provision of rural postal services.

The specific cost of SP62 million should be considered with caution. This is the first time Syria Post has undertaken such an exercise and many figures require validation. The costing required data on costs, revenues and flows of mail between post offices. Despite many checks all staff involved in the data collecting process expressed concern about the accuracy of the data. Several sets of data were therefore modeled to monitor the effect on the cost of universal service. This provides a range within which the cost of universal service falls and these figures are presented in Section 2 of the report.

FINANCING UNIVERSAL SERVICE

The study reviewed several options to finance universal service. The current method is through a reserved area for official letters and a number of guaranteed services provided on behalf of Government. These include pensions, various forms, fiscal stamps and distribution of lottery tickets, the latter being worth 30% of total revenue.

The study proposes the following methods to finance universal service:

Reserved Area: It is proposed there are no changes to the proposed reserved area and other guaranteed incomes.

Cost Based Pricing: Prices of reserved services should be reviewed to ensure they take into account the real cost of providing services. This should include additional payments for services in rural post offices if justified.

Franchising: Post offices with low volumes and revenues should be replaced with franchised post offices or agencies to reduce costs

Streamline Syria Post: A review should take place in headquarters and each post office to identify how to reduce overstaffing or better utilize staff for the commercial benefit of Syria Post.

Revenue Growth: The main way to help finance universal service is to grow the revenues of Syria Post through better sales, marketing and product development.

In the short term it is expected Government will need to continue to provide subsidies until Syria Post develops new revenue lines. One way of encouraging commercial focus would be to offer Syria Post as a concession charged with providing universal service. This would allow private sector participation in the provision of postal services and may be a quicker way to bring investment and commercial practices to Syria Post. Given the network of Syria Post and the current level of reserved and guaranteed revenues from Government it is anticipated there would be wide interest in operating Syria Post.

DELIVERING UNIVERSAL SERVICE

Seldom do universal service providers recognize the benefits that are bestowed on them through having the universal service and the reserved service that usually accompanies such an obligation. Syria Post has the most comprehensive network in Syria reaching every corner of the country but does not leverage this network. It provides a narrow range of products and services and operates at standard Government hours.

A profitable and competitive Syria Post rather than the passive and loss making one that

Several Syria Post managers have expressed the need for tighter regulation to improve the financial situation of Syria Post by preventing competitors entering reserved areas. They fail to recognize customers use competitors because of Syria Post's own failings. Syria Post has better reach than any competitor but lacks understanding of customer needs. The same managers openly admit to using competitors to send a package in Syria.

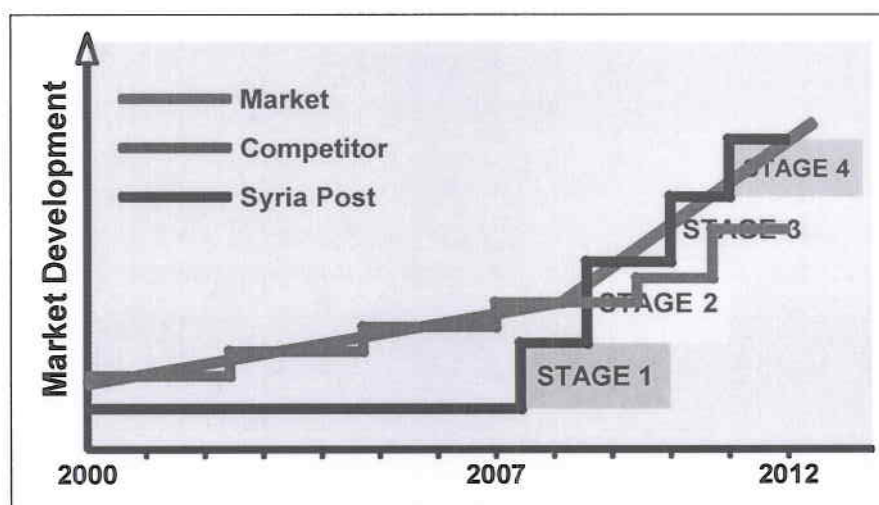
exists today will better deliver universal service. It must develop a "WHAT", "WHERE", "WHEN" philosophy giving customers what they want, where they want it, when they want it. This will mean reviewing all product lines, locations and opening hours of offices. One only has to visit a Kadmus or Express office at 8pm to understand the principle of

"WHEN" as understood by a customer. In contrast post offices close in the afternoon missing out on potential business.

The best way for Syria Post to deliver an effective universal service is by growing its commercial and non-universal services. Leveraging the network at its disposal and introducing new products and services will actually reduce the cost of universal service. Increasing the number of transactions per employee could raise efficiency in post offices. Vehicles could be better utilized by offering spare capacity to other companies, in turn leading to development of a basic logistics service. Syria Post should in particular, try to develop relationships with large organizations that could utilize the power of the Syria Post network.

3-4 Primary implementation scheme of GEP service development

During the project preparatory phase, a commercial strategy for GEP has been developed. It is a strategy suitable to the upcoming period and depended on GEP services according to business plan with four stages shown in the diagram below:



The diagram identifies four stages of development to reposition Syria Post as the leader and driver of postal market development. The four stages are classified as follows:

Stage 1 Catch Up

The catch up stage will be focused on four main areas; gathering customer and competitor information, establishing sales functions, building a database of customer information and undertaking an operational review.

Stage 2 Product Development

The product development stage will identify a priority list of products to develop in the coming years taking into account customers long term requirements and the strategy to have a fully integrated product portfolio.

Stage 3 Technological Development

The technological development stage will implement technology throughout Syria Post to deliver product solutions such as counter automation.

Stage 4 Product Integration

The product integration stage will link together all products so that Syria Post can offer customers a one-stop-shop for postal, financial, logistics and information services.

Stage 1**Catch Up**

The catch up stage will help position Syria Post to generate new revenues and gain revenues from its major competitors. The following projects will be included in Stage 1 with suggested timescales.

Objective	Process	From	To
Market Analysis	Continue market survey of all customers to identify current use of mail and perception of Syria Post <ul style="list-style-type: none"> Identify mail flows from different segments of the market Segment the market into Key Accounts, Large Accounts, Small accounts and social customers <ul style="list-style-type: none"> Identify 50-100 Key accounts Establish 8-12 market segments 	July 2007	Ongoing
Competitor Analysis	Identify all competitors in all sectors of Syria Post activities <ul style="list-style-type: none"> Undertake detailed analysis of top competitors identifying service levels, products and comparative advantage over Syria Post (see Annex C) Assess and compare competitor pricing to help set Syria Post pricing (in competitive areas) and or use in marketing campaigns Identify unlicensed operators for future sanction by regulatory authority Identify future non-physical competitors 	July 2007	Ongoing
Customer Database	Working with Ministry of Local Administration and Environment begin the process of linking individuals to address points <ul style="list-style-type: none"> Pilot site in small city where address development has been completed (Homs) Link with Key Account customers to identify key information requirements 	July 2007	June 2008
Operational Review	Establish a D14 network (linking all 14 main centres) capable of delivering reliable, quality driven performance based on customer need <ul style="list-style-type: none"> Review transport arrangements (use of third party if more reliable) Review hours of operation to compete with private sector Review operational processes to ensure quality Establish service standards and measure performance	October 2007	June 2008

Establish Sales Functions	Identify 4-8 employees to act as sales managers to June 2008 <ul style="list-style-type: none"> • Each given responsibility for 10-20 key accounts and 1-3 market segments • Responsible for establishing relationships with all customers and identifying their postal and postal related needs. • Targeted to increase use of Syria Post 	August 2007	June 2008
Develop Sales Plans	For each key account develop a sales plan (see Annex B) <ul style="list-style-type: none"> • Product development plan • With financial targets associated to each • Other targets For each segment develop a sales plan (see Annex B) <ul style="list-style-type: none"> • Sales development plan • Financial targets • Non financial targets 	August 2007	June 2008

The Catch Up stage is extremely important because it will drive the stages that follow. These stages should not be seen as static but should evolve to reflect the information that follows. The actual plan for Stage 4 is likely to look very different in 2010 than it does in 2007 since many unknown factors will have been discovered in the intervening three years that will impact on the planning process.

Stage 2 Product Development

It is important in the product development stage to use information gathered in stage 1 to prioritise which products should be developed first. The emphasis should be on the development of products that will have the greatest impact on volumes and revenues with least investment. Discussions with key and large customers will also identify products that can be introduced with investment in technology. It is important that specifications for these products be developed so that appropriate technology is sourced for Stage 3.

Objective	Process	From	To
Customer Product Development	From the market analysis Syria Post will have identified a number of products that need to be developed for key account customers and different market segments <ul style="list-style-type: none"> • Identify projected volumes and revenues for each new product 	July 2008	Ongoing
Product Specification	For all products and services provide a product description and specification <ul style="list-style-type: none"> • Service standards • Pricing with volume discounts for major customers • Operational requirements 	July 2008	Ongoing
Technology Specification	For all products and services provide a technology specification <ul style="list-style-type: none"> • Information Technology requirements to implement product or service 	July 2008	Ongoing
Marketing plan	Develop marketing literature for all products and services to aid sales managers and retail outlets in selling products and services <ul style="list-style-type: none"> • Literature on all products • Syria Post website 	July 2008	Ongoing
Operational Review	Undertake continuous review of operations to ensure service specification for new products can be achieved <ul style="list-style-type: none"> • Identify cost implications of new products on operation 	July 2008	June 2009

The second stage is very important to Syria Post since it will define the future direction of products and services provided by the company. It is important to get these rights since the success of Syria Post depends on their specifications.

Stage 3**Technological Development**

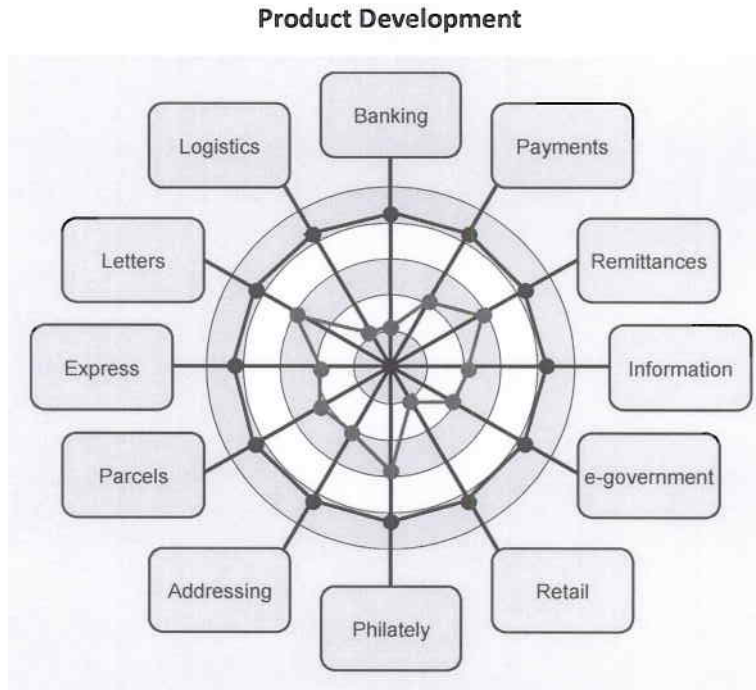
This stage will develop the technological base required for Syria Post to move into added value customer solutions. It will provide a platform to provide financial services (banking, payments and remittances) and for the provision of added value services for express mail products (track and trace). In addition it will allow for development of other services such as e-government and more complex retail offers on behalf of large clients.

Objective	Process	From	To
IT Backbone	Implement the IT infrastructure throughout Syria Post to ensure services can be provided in the most efficient manner to the best service standards <ul style="list-style-type: none"> • Taking into account all product needs and management information requirements 	Dec 2008	Ongoing
Counter Automation	Implement counter automation <ul style="list-style-type: none"> • Implementing at the 14 main post offices and planning for national roll out over a specified period • Implementing new products and services reliant on counter automation 	Apr 2009	Ongoing
Track and Trace	Implement track and trace for specified mail and express products <ul style="list-style-type: none"> • Roll out in key centres • Plan to roll out nationally 	Apr 2009	Ongoing
Printing Machinery	Plan for purchase of added value machinery (such as printing statements for banks) <ul style="list-style-type: none"> • Location of facility • Staff training • Contracts signed with relevant customers Establish service standards and measure performance	July 2009	Dec 2009

The technology stage is critical because it allows Syria Post to jump ahead of all competitors in the market development process. Provision of counter automation will enable the portfolio of products provided by Syria Post to grow significantly. Track and trace will inspire confidence in domestic products and enhance the value of international products.

Stage 4 Product Integration

The fourth stage will integrate all products so that Syria Post can offer complete solutions to customers. It will use the technology platform to develop the product areas that have not been the initial focus of development. The product integration stage will complete the process of the initial development of Syria Post into the 12 product areas shown in the following diagram.



Specific objectives will be defined as time progresses through the other three stages but it is anticipated that some of the specific objectives will include those listed below.

Objective	Process	From	To
Sophisticated multi-layered relationships with large customers	<p>Syria Post will offer fully integrated solutions to major customers to the extent that Syria Post staff will work at customer premises</p> <ul style="list-style-type: none"> • Linking operational processes directly to customer processes • Linking customer databases and Syria Post databases • Development of customer specific solutions • Acting as customer, supplier, competitor and partner depending on the market 	July 2010	Ongoing
Diversification	Diversified services that complement core products and services	July 2010	Ongoing

	<ul style="list-style-type: none"> • Bus routes to improve speed of mail flows between major cities • Logistics services to complement delivery of mail, parcels and express items 		
Retail Development	Development of retail activities to maximise revenues in all post offices <ul style="list-style-type: none"> • Increased opening hours • Private sector participation to utilise space • Partnerships with banks • Links to community development programmes 	July 2010	Ongoing

The final stage in the process will position Syria Post in such a way that competitors will only be able to compete in niche markets. It will enable Syria Post to be the provider of choice for all major customers and will also provide a platform for Syria Post to diversify its own services into more competitive areas.

3-5 Primary implementation scheme of GEP staff training

The first part of the UNDP project on the modernization of Syrian Post Authority was a Commercial Strategy which was completed in July 2007.

In this strategy, four important factors were considered, namely, Customers, Competitors, Shareholder and Employees. The first three were covered in detail in the Commercial Strategy, leaving the Employees element to be covered in the Human Resourcing and Training Strategy part of the project, which is the scope and purpose of this report.

The key to successful implementation of the Commercial Strategy will be a complete transformation of the Syrian Post organization which will only be achieved by adopting an HR and training strategy through which the following critical elements will need to be achieved.

- The top leadership having the necessary capabilities and skill sets to think strategically and be both commercial and change oriented and with the necessary disciplines, expertise and motivation to ensure that the transformation is effectively implemented.
- Developing a clear and compelling vision of what Syria Post can become and achieve over five years which is also widely articulated and understood so that all employees can share this vision and begin to work towards it.
- Drawing up and agreeing a strategic plan, with specific goals and objectives to be met in each of the five years, as a step by step platform on which to drive

implementation of the transformation, through integrated programme and project management.

- Beginning a comprehensive culture change programme in order to move from the current public sector 'mindset' or mentality to one which is more commercial and customer –focused and where performance and quality are consistently delivered.
- Embarking on a comprehensive human resourcing strategy in order to progressively build a management team with the necessary skills and capabilities needed to deliver the commercial strategy. This will be largely enabled through specific recruitment, appropriate training and development programmes and by establishing skill requirements for jobs and hence job selection together with other HR programmes, including performance management. It will also be facilitated by engaging a small number of training partners, mentors or coaches as catalysts to bring in essential ideas, experience and expertise.
- Embedding in the organisation the ability and capacity to continue to innovate and expand management capability through training and development so as to ensure the transformation is sustainable for the long term as a learning organisation.

In short, the conclusion of this study is that

The 'vehicle' of training and development can and should be used as a powerful enabler to drive the transformation of the organization, help change the culture, engage and motivate employees, expand management capability and build capacity for the future so that both individuals and the organization can see how they can have a stake in a shared future vision and so begin to achieve their full potential.

The report also presented training and rehabilitation plans at all level and on operations related to the objectives set out within GEP proposed commercial strategy.

3-6 Primary implementation scheme of GEP operational business development

This plan concludes the findings of the UNDP sponsored Easy Post project's operational study of Syria Post. The findings in the study are based on four weeks working with Syria Post operational staff based in Damascus.

With daily volumes of 33,500 mail items Syria Post employs over 2,900 staff throughout Syria through a network of 14 regional Directorates and 380 post office outlets.

Daily mail volumes are per employee equate to less than 12 items per day compared to over 500 items per employee by Royal Mail in the UK. Syria Post does have to provide an extensive network of 380 post offices, 245 of which are loss making, accounting for

1,100 staff. A further 1,800 staff are employed in the corporate and regional headquarters and the responsibility of employing so many staff is a burden for Syria Post given the low mail volumes. Aleppo Directorate alone employs 196 people at its regional headquarters but only handles 5,500 mail items per day. In the UK it would require 11 employees to handle the same mail.

Syria Post undertakes regular quality of service tests to measure the quality of service within Directorates. The latest test of 800 items measured average quality at 3.01 days per mail item. The test showed wide differences in quality between Directorates.

In the market survey of 2007 customers highlighted speed as the main reason for choosing a postal operator. Achieving an average of three days to deliver items within a Directorate is very poor and does not meet the demands of the market. Syria Post is scheduled to achieve a one day service for intra-Directorate mail flows.

To validate the internal quality of service test the Easy Post project team carried out its own independent test without the knowledge of Syria Post. Of 121 items dispatched 66 did not arrive at their destination and of those that did arrive the average transit time of mail was 6.5 days.

The three figures presented at in this section are key measures of the success or failure of Syria Post. At only 12 items per employee per day Syria Post cannot function viably. Taking an average of three days to deliver mail within a Directorate is not sufficient to meet customer demands. The independent test highlighted the poor service further with mail taking 6.5 days on average to reach its destination. The test highlighted other failures within the Syria Post system, notably the failure of so many items to reach their destination.

The operational study is split into four sections and a brief summary of each is provided below:

SYRIA POST OPERATIONS

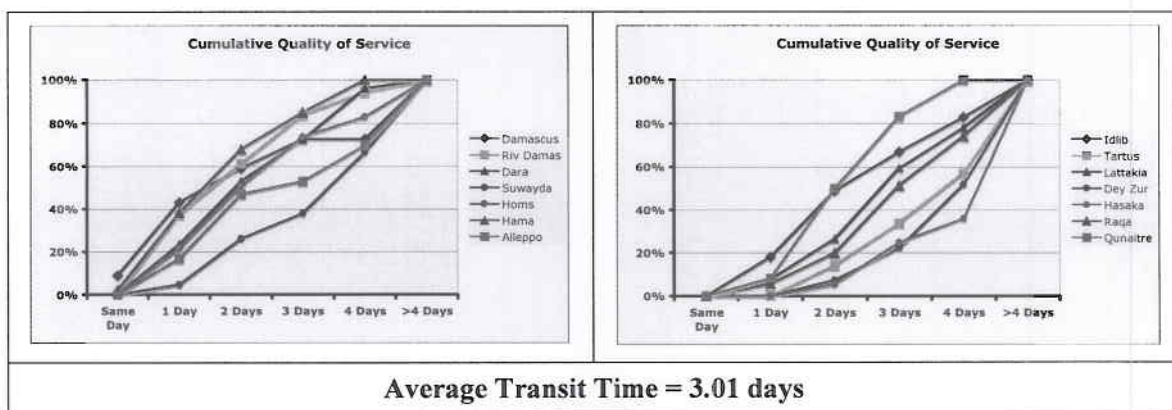
The structure of the Syria Post operation is a traditional hub and spoke model and is scheduled to provide 84% next day service between Directorates. But the quality figures show that the schedule is not met. This suggests there are many blockages in the mail pipeline and a full audit of the system needs to be carried out to identify where delays in processing mail are taking place. In addition to not delivering expected performance the Syria Post network fails to compete with the speed and reliability of private companies operating in the postal market. The offering of Syria Post needs to be reviewed as the new commercial strategy is developed.

OPERATIONAL MANAGEMENT

The management structure at Corporate and Directorate level is complex and has too many inward facing departments. The study recommends several changes at HQ and in Directorates. The main change at HQ is to simplify and merge the operational departments to avoid duplicity and encourage synergy between departments. The same is true at Directorate level where it is recommended to simplify the structure and create a Sales & Marketing department targeted at increasing volumes. At both HQ and Directorate level it is recommended that jobs be evaluated and assessed to determine which roles are required and the numbers of people per role.

QUALITY

The intra-Directorate quality tests found the average transit time within Directorates averaged three days per item. The graphs show average service varies widely from one Directorate from 2.06 days in Hama and 4.33 days in Hasaka.



Such figures are an opportunity for Syria Post to improve quality by targeting poorly performing Directorates to improve. It is recommended Syria Post continue with internal quality measures and commence external end-to-end quality measures to assess the transit time experienced by real customers as per the Easy Post project team test.

Understanding the principles of Total Quality Management would be useful for Syria Post to help senior managers understand the importance of their role in developing the business for the future.

MEASUREMENT SYSTEMS & PROCESSES

The quality results show significant failures in the mail circulation system but do not identify where the failures specifically occur. Given the principles of the mail circulation system is good the failures arise from poor implementation of the operational pipeline. It is likely the mail circulation timings are not being adhered to and processes are not being followed. There is a need to develop and reinforce the system of measuring at all points in the operational pipeline to identify where failures occur. To this end it has been recommended that a quality department be created in HQ and quality roles be implemented in all regions. There is also a need to systemise all operational processes, train staff and ensure processes are followed.

CHALLENGE FOR SYRIA POST

There are many challenges to transform Syria Post. It has very low volumes and in the short term this situation will not change. It has significant over-employment yet does not have any customer facing departments. Over-employment brings a sense of apathy to those employed by Syria Post, with many staff having very little real work to do. Those with work lack motivation whilst others are paid for not working.

Syria Post must develop a strategy that can change the business within the constraints of over-employment and low volumes. A substantial reorganization of staff is required to provide roles that fit with the needs of a commercial business. In the short term staff levels will remain high and the challenge is to identify satisfactory roles that can raise motivation and reduce apathy. This challenge will require strong management, clear direction and strict targets for senior management.

4- Relationship between postal development plan's actions and GSR-MoU's actions

The aim of MoU is to create cooperation and coordination framework between MoCT/GEP and UNDP/GSR project, with a view to **provide technical assistance and capacity building required to responding GEP needs in selected fields of reform**. The cooperation addresses the areas that serve, directly or indirectly, the citizens' interest and facilitate their day-to-day works.

The cooperation under this MoU aims at carrying out the following:

- Review of the current situation of GEP administrative structure with a view to identify shortages in the structure and human resources and improve internal work processes and job descriptions in line with the quality of services provided to the

citizens in terms of easy access to the service, response time and service conditions. **This review should be conducted in coordination and integration with “postal service development and modernization project (Easy Post)”**. This coordination has been achieved and resulted in finalizing one of Easy Post project’s studies related to postal service operation business according to the objectives outlined under the project plan.

- Provision of expertise required to explore the possibility of using off-the-shelf software compliant with the best postal service operation standards adopted by UPU, provided that this software support at least: **postal parcel services; money orders; express post; official post; correspondences of government transactions among ministries and different institutions and bill payment (water, electricity, telephone, etc.) through every post office all around the country**. This expertise should cover finalizing, or helping the provider finalizing, or supervising the following:
 - Analyzing the gap between existing business processes and the ones adopted by the system intended to be introduced for the services abovementioned, and suggesting amendments on the business processes and the bylaw in line with the transformation into computerized system;
 - Assessing the necessary human resources availability and preparing a training plan on those services;
 - Developing timetable for moving into the new situation with several stages, including: training, data migration (if applicable); experimental and final operation.
- Preparation of a training and rehabilitation program with a view to move into the new situation, including:
 - Administrating customer service; languages and IT, along with management and marketing;
 - Computer network administration;
 - How to contract on; receive and operate software (in general).
- Evaluation of automation’ findings of services stated above; follow up on their effective implementation and quality test and control.

It is planned to conduct the stated services automation (only 5 postal services) after the required software being procured from a third party. MoU assists partially in carrying out the automations in Damascus office and two offices other governorates. This assistance includes only installation; configuration; operation; start investing and assessing the quality of the five postal services software that covering the basic services. In other words, MoU aim is to implement a pilot project to learn about the results of other automations of GEP businesses, while identifying the requirements; constraints and expected timeframe of their implementation.

MoU will not include the following actions, which represent the basis of GEP development and reform process explained in details in the chapter four of this report:

- MoU will not deal with automation of services save the 5 services provided for in MoU or their software installation; configuration; operation and start investing and assessing its quality, especially the services related to advanced financial and banking postal businesses or the postal business associated to commercial or government electronic transactions;
- MoU will not cover the internal postal business within GEP as a whole, but it will assess the impact of the 5 services' automation on the internal business system and recommend the action should be taken in order to ensure the well operation of these services;
- The 5 services' automation will not cover studying the indirect internal operation processes related to their activation;
- The 5 services' automation will not cover studying the impact of their activation on GEP in terms of revenues, costs or economic feasibility with a view to define their individual prices and the benefit of rolling them out in different postal offices in line with universal service criteria once determining whether these services are included by them;
- The 5 services' automation will not cover developing a system for controlling these services' quality;
- The 5 services' automation will not cover preparing publicity plan for providing and offering these service to citizens.

5- Conclusions and actions to be finalized during the implementation phase

The postal sector in Syria suffers from the absence of a regulatory structure, a fundamental cause of services not harmonious with the needs of the Syrian society. General public do not have access to the services at convenient levels and of necessary quality. Corporate customers do not get the support of the postal sector for their business needs. The conditions of performance of the Universal Postal Service in Syria as also the mechanisms of their financing continue without change indefinitely.

The public operator of the market –General Establishment of Posts (GEP)– does not count on the indispensable business autonomy to face an unfair competition from a large number of private operators - small and informal - in the urban areas. Also, GEP needs the ways and means to cover the losses from the performance of services in far away localities, where there is no economic advantage, but GEP is obliged to provide the services as the universal postal service operator.

In future, important changes can possibly occur in GEP economy, as a result of the application of its new "Commercial Strategy", which will signify strong impacts on the postal sector of the country.

Nevertheless, GEP has very favorable conditions in general and possesses a large number of necessary characteristics, which put together with new elements, will permit the country to enjoy high-quality postal services comparable to those available in the developed countries.

It is possible in the short term to put together a set of actions to significantly increase both the capacity and the quality of services offered to-day by GEP. In the long term, there is a potential for gains in the Sector development, especially with a greater degree of universalization of the postal services in the country, which will bring greater benefits to the society.

Based on the foregoing, we show here's what must be completed and focused upon during the next implementation phase of the reform and development process of the postal sector in Syria, though it was taking these points into consideration when designing the components of the reform and development plan to be implemented as discussed later:

1. at the level of Syrian postal market study

A rapid study was undertaken on the Syrian postal market, it was an initial study with many deficiencies according to what was indicated by the body of which had conducted (international expert + a number of GEP staff).

The market study should consist of the decision of the qualitative and quantitative characteristics of the demand and the postal services offered in the market of the country. The size of the **demand** in terms of the annual volume of postal shipments generated and the annual value of the services provided are required to be reliably determined. It is inevitable to know the magnitude of the demand according to the main classification (of services / lines of business) utilized during the reform process in the legal norms.

In the market study, the details of services offered by all the operators should be collected. It is required to know the characteristics of the services offered and the characteristics of the business organizations of these operators, the level of their technological and business developments and the market share, according to the two classes of services or lines of business. GEP as a market operator should have a consideration and special analysis in the study.

Finally, the study should consider the future projections of demand and supply in the market. Projections for 5 to 10 years may be sufficient.

2. at the level of UPS definition:

The study conducted on this point during the project preparatory phase presented a conception about the following four aspects related to UPS in Syria: definition, costing, financing and delivery of UPS based on data had been collected with assistance of GEP, as the public operator responsible for delivering UPS at the country level.

The previous study did not include a precise determination of services covered by universal service, because it is based on a detailed review of all GEP postal network points in the country and service operations that take place in the network, in order to find out how services are currently provided. Therefore, the analysis must address the demographic and geographic characteristics of the area and the population needs (individuals and companies) for the postal services. The analysis should take into account the basic postal services provided by private sector operators in the cities and towns. It is useful in this analysis, to make use of indicators to reflect the conditions of facilities for access and quality for purposes of comparison with other countries at region and world levels. In other words, an accurate analysis of performance of postal services in Syria should be done, given the impact it has on introducing an appropriate definition of UPS concept.

3. at the level of UPS provision costing (costing model):

The study conducted on this point during the project preparatory phase presented a conception about method and model of UPS costing on the basis of numeric data made available on the postal activity of GEP. The proposed model did not take into account several things, including: identifying the cost elements carefully, setting out the key variables involved in calculating the cost, such as the frequency of service, distance and time, etc... In addition, the proposed model, in fact, was not checked and technically validated, Nor was also published and circulated to relevant stakeholders at the level of the postal sector in Syria.

4. at the level of preparing integrated proposal on UPS concept in Syria:

Built on all the information and analysis carried out in the prior studies of “Present Conditions of the Mail Services Offering of Syria”, the “Study of the Postal Market of the Country” and the “Costing Model”, it will be possible to devise a “Proposal for UPS” aligned to the needs and scope of both economic as well as technical points of view.

The proposal should understand, on the one hand, the approach of the Scope of the UPS vis-à-vis the specifications of the performance conditions, the support of costs and viable solution of sustainable financing of the UPS obligations. On the other hand, the indicative general plan orients the development of UPS to the scope of the proposal levels, in a specific time frame.

5. at the level of postal sector policy in Syria:

During the project preparatory phase, a proposal for Syrian postal sector policy was prepared. It contained outlines of the business' objectives within the postal sector and the obligations for which the government shall be responsible.

But, by reviewing information, analyses and studies indicated above, which deal with UPS and the postal services, it is possible to identify more accurately the objectives and strategies of reforms and other standards, which will certainly impact on the proposal preparation and lead in formulating more integrated policy for the postal sector, which must indicate to the following:

- Reasons of postal reform, sector reform and basic service transformation;
- Long-term prospects and objectives;
- Key strategies for achieving the objectives;
- Main players responsibilities: government and operator responsible for UPS and regulation authority;
- Main proposals on the appropriate framework of sector development: the law and regulation authority;
- Framework for implementing the key reform elements (law, regulation, reform of operator's services included in UPS);
- Quantitative measurable targets in order to assess progress in activities;
- Basic principles of postal sector adopted by government.

6. at the level of legal framework of postal business in Syria:

During the project preparatory phase, a proposal for new postal law and the associated authorization system was prepared. The law, which was proposed in accordance with European and international standards but not necessarily in harmony with the Syrian legal structure, may represent certain starting point to formulate a new law focusing upon a set of issues that should be developed in consistence with the local business environment, including:

- UPS, the main contents of the law;
- UPS operation;
- Other postal service operation;

- The authority regulating the postal sector operation;
- Disciplinary rules required to activate the regulation authority;
- Formulation of other regimes associated to the postal law, such as regimes of prices, customs and authorization.

7. at the level of establishing and activating the operation of the regulation authority/Regulator of the Syrian postal sector:

This issue was not addressed during the project preparatory phase; though it is an essential to regulate the postal sector and control its operator's action with a view to ensure the proper level of performance conditions. It will be necessary for the Regulator to have a strategic plan of action with the different actors of the sector, for an efficient exercise of its functions, effectively intervening in the postal activity of the country with an efficient market.

The form of control over the multiple operators has to be visualized by the regulator, who should plan the establishment of the working mechanisms with clients, guilds and Consumer groups which voice the market demand, so that the sector can always have an integral conception of its composition.

The regulation authority action can be activated through a range of legal norms that identify the scope in which the authority shall regulate and intervene in the postal activities according to the sector requirements.

8. at the level of development and modernization of the services of public operator responsible for UPS:

Studies conducted during the preparatory phase highlighted many deficiencies at the level of the strategy of action, operation, training and rehabilitation of staff of public operator responsible for UPS.

The development plan of the UPS Operator should have a direct and concrete approach to the actions and projects in the Reform of the organization and the operation of the services. It shall concentrate, during the preparatory phase, on the basic service concept and the technology progress of GEP in accordance with results and recommendations of the mentioned studies in order for GEP to increase the business volume and occupy a distinct position in the Syrian postal market so that it could later develop advanced electronic postal services.

Chapter Two: Postal Sector Development Plan in Syria

Source: the following is the source of all information cited herein:

1. Integrated plan for postal reform and development in Syria of 2005, prepared by Najeeb Bouleras, the UPU regional representative and consultant for Arab region, and Gamal Fathi Zeghlami, a UPU consultant.
2. UPU overall strategy for postal modernization, which is based on “integrated postal sector development plan. This approach was issued in January 2007 and available on internet.
3. Strategies and studies developed by international experts during the project preparatory phase.

1. INTRODUCTION.

The implementation plan of the actions of postal services development and modernization was divided into two sections, which though separated in terms of form; they are integrated in terms of content. It is useless to implement actions outlined in one section without implementing the actions of the other.

The mentioned plan will start with an initial time period of 3 months at most, in order to carry out the following actions:

- 1- Establishing the working groups of implementation phase required to prepare the development plan's actions and their implementation follow up;
- 2- Preparing, based on the preliminary actions and activities of development plan, a proposal for actions and interventions could be carried out in cooperation with UPU;
- 3- Communicating with UPU in order to seek financial and technical assistance in carrying out the actions mentioned in the previous point.

Chapter two of this report presents Part One of development plan which includes the actions proposed to postal sector reform. This chapter discusses the actions and projects to be carried out at the levels of MoCT (as supervision body of postal sector) and GoS built on results of preparatory phase studies conducted in coordination with GEP (UPS national operator).

Chapter three (the last) provides details on the plan activities as well as the planned timetable and the estimated costs of implementation plan section concerning the postal sector only in Syria.

Actions and activities of this part of development plan have been grouped in four clusters, including:

- 1- Actions of UPS implementation according to market needs and cost;
- 2- Approval of postal sector policy;
- 3- Effective finalization of legal framework; and
- 4- Legal entity of public postal operator.

These clusters were grouped in accord to the following principles and conditions:

- 1- Each cluster's actions start with preparatory duration so that detailed action plans are prepared for every activity needed to be implemented (in the form of projects or sub actions) by assistance of expert delegated by UPU for this point.
- 2- Previous plans represent framework required to be followed up by working groups and project management.
- 3- By the end of actions of each cluster, an expert from UPU shall be invited in order to evaluate the achievements and find out the deficiencies, if any. The cluster actions should not be deemed completed until being assessed and their execution level quantified by the delegated expert.

2- Cluster one: Finalizing the procedures of implementing the universal post services according to the market needs and the cost.

The UPS working group of DP is expected to carry out the following actions:

- Conducting study to analyze postal services delivered currently in the local market and presented in USP report prepared during the project preparatory phase. The study aims at agreeing upon the parts of UPS which shall be included in the postal service concept while determining whether there is sufficient information available on UPS. If not, a decision on the proper method to make it available should be taken in cooperation with GEP (as USP operator) in order to take what is necessary in relation to these services.
- Reviewing the national postal market study already conducted and using its data and statistics as a basis to identify values suitable for formulating proper definition of universal service and assessing the postal market performance during the project preparatory phase.
- Reviewing the model of USP cost proposed in USP study prepared during the project preparatory phase. It will be done based on data available from the actions, referred to in the precedent points, in cooperation with GEP (as USP operator) in order to take what is necessary in relation to the proposed costing model.

- Preparing a proposal for USP and the different scenarios of their application in order to be considered and make the proper decision on them by the government.
- Carrying out activities of introducing different authorities to USP issues.

3- Cluster Two: Developing the postal sector policy

The activities of sector policy working group of DP should concentrate on:

- Developing the sector policy criteria building on the precedent studies and next supplementations about UPS.
- Preparing final proposal on sector policy to be considered by the government and adopted based on discussing the available proposals in this respect.
- Discussing with stakeholders in order for the sector policy to be integrated in the national development plans.

4- Cluster Three: Preparing the Post legal reform actual implementation of the legal framework

The legal working group of DP will attempt to carry out the following action in reform process:

- Drafting postal law by the government based on the law proposed during the project preparatory phase and the other relevant proposals;
- Submitting the draft law to the parliament and obtaining its endorsement;
- Preparing project to establish the postal sector regulation authority, by government, pursuant to Postal Law. A proper authorization system may be included in the work regime of the authority (in addition to other regimes: customs, pricing, etc.) basing on the relevant proposals presented during the project preparatory phase;
- Preparing a plan for implementing the actions of postal market organization;
- Implementing awareness activities, through seminars and forums, in Parliament and different society levels about UPS issues, legal framework and sector reform.

5) Cluster Four: Developing the legal entity of the public operator

A rapid study on the legal entity of public operator (represented by GEP) was conducted during the project preparatory phase. It discussed, basing on the results of studies of preparatory phase, a set of proposals on the legal entity form that can be assigned to the public operator according to reform and development actions intended to be implemented with a view to modernize the Syrian postal sector.

Five options for postal reform have been considered in this study:

1. **STATUS QUO** – Maintain Syria Post as a department of Government
2. **CORPORATISATION** –A public limited company owned by Government
3. **MANAGEMENT CONTRACT** – Short-term external management contract
4. **CONCESSION** – Seek long-term private sector management and investment
5. **PRIVATISATION** – Sell Syria Post to private investors

In analysing the five options for reform the ability of each option to deliver each of the elements of the Easy Post project have been considered. Principally these are the areas covered in the Commercial Strategy.

	Status Quo	Corporatisation	Management Contract	Concession	Privatisation
Deliver Commercial Strategy	10%	50%	50%	100%	100%
▪ Structural Reform	10%	30%	30%	100%	100%
▪ Sales & Marketing	10%	40%	40%	100%	100%
▪ Product Development	0%	40%	40%	100%	100%
▪ Operational Reforms	20%	80%	80%	100%	100%
▪ Quality of Service	20%	80%	80%	100%	100%
▪ Human Resources	0%	30%	30%	100%	100%
Revenue Increases	10%	54%	54%	121%	121%
Headcount Reduction	0%	5-25%	10-30%	40%	40%
Mail Volume Increase	10%	50%	100%	200%	200%
RISK	High	Low Medium	Low Medium	Low Medium	Medium

A number of recommendation were resulted from this study on option(s) can be opted in view of the results of studies conducted during the project preparatory phase. These results will be depended on the present results; so, if the public operator's legal entity is wanted to be reconsidered, more accurate and detailed study should be conducted once all information and numeric data needed to determine the proper option are made available.

Chapter Three – Plan Components’ Details

Source: all information cited hereinafter is taken from the following sources:

1. Action approach adopted in integrated plan for postal reform and development in Syria of 2005, prepared by Najeeb Boularas, the UPU regional representative and consultant for Arab region, and Gamal Fathi Zeghlami, a UPU consultant;
2. Action approach adopted in UPU overall strategy for postal modernization based on “integrated postal development” in a country, which was issued in **January 2007**; and
3. Results and recommendations of strategies and studies prepared by international experts during the project preparatory phase.

N. B.

In presenting the implementation plan components’ details, an action approach adopted in UPU overall strategy for postal modernization based on “integrated postal development” in a country, which was issued in January 2007, has been introduced because:

- It’s the best and up-to-dated approach from the point of view of postal reform project management, as it is based on identifying the work axes and defining the actions and activities related to each of proposed axes.
- It’s the best method to determine the duties of every working group to be established and their actions to be followed up in order to achieve the desired objectives.
- It was modified during presentation of different clusters’ activities so that it became more suitable for the implementation phase which aims at following up the last phase actions and building on its results in order to step forwards without duplicating the work or to exceed it without making as best use of it as possible.

1. Time-table for Activities

Name of Activity	Period																							
	Year 1												Year 2											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Preparation of an initial business plan																								
Cluster One: finalizing the Procedures of implementing the universal post services																								
1-1) Sort postal services included by the concept of UPS																								
1-2) Determine the quantitative values for formulating the final UPS definition																								
1-3) Approval of suggested costing model																								
1-4) Preparing a proposal for UPS in Syria																								
1-5) Activities of introducing authorities to UPS issues																								
Cluster two & three: developing the sector policy and the actual implementation of legal framework																								
2-1) Formulation of sector policy – cluster two																								
2-2) Drafting postal law – cluster three																								

LEGISLATIVE PROCESS												
2-3) Preparation of plan of regulation authority establishment – cluster three												
2-4) Activation of regulation authority operation – cluster three												
2-5) Awareness of Parliament and different society levels about UPS issues, legal framework – cluster three												
Cluster four: developing the legal entity of the public operator												
<p>During this period, the following actions are implemented:</p> <ol style="list-style-type: none"> 1- Establishing the working groups of implementation phase required to prepare the development plan's actions and their implementation follow up; 2- Preparing a proposal for actions and interventions could be carried out in cooperation with UPU; 3- Communicating with UPU in order to seek assistance in carrying out the actions mentioned in the previous point. 												
<p>During this period, the following actions are implemented:</p> <ol style="list-style-type: none"> 1- Detailed action plans are prepared for every activity needed to be implemented (in the form of projects or sub actions) by assistance, if necessary, of expert delegated by UPU for this point. 2- Previous plans represent framework required to be followed up by working groups and project management. 3- By the end of actions of each cluster, an expert from UPU shall be invited in order to evaluate the achievements and find out the deficiencies, if any. 												
The period of preparation for the whole work schedule of the implementation phase												
The period of prior preparation of the cluster's actions												
The period of prior preparation of every proposed action												
Consultations and actual implementation												
Other activities												
<p>In this period, detailed action plans are presented for every activity by the working group established for this end.</p> <p>The actual implementation of the project's actions and follow up and supervision by the working groups.</p> <p>Other activities supporting to the project's activities.</p>												

2. Details of Activities of Postal Sector Reform Plan in Syria (Results and Resources Framework (RRF))

Results	Desired outputs	Indicative activities	Activities in details	inputs
	preparation for the whole work schedule of the implementation phase		<p>During this period:</p> <ol style="list-style-type: none"> 1- Establishing the working groups of implementation phase required to prepare the development plan's actions and their implementation follow up; 2- Developing a practical schedule of different project activities 	<p>DURATION OF EXECUTION:</p> <p>Three (3) months.</p>
<p>Actions and activities of this part of development plan have been grouped in for clusters, including:</p> <ol style="list-style-type: none"> 1- finalizing the Procedures of implementing the universal post services according to the market needs and the cost 2- developing and approving the postal sector policy 3- preparing the Post legal reform actual implementation of the legal framework 4- developing the legal entity of the public operator <p>These clusters were grouped in accord to the following principles and conditions:</p> <ol style="list-style-type: none"> 1- Each cluster's actions start with preparatory duration so that detailed action plans are prepared for every activity needed to be implemented (in the form of projects or sub actions) by assistance of expert delegated by UPU for this point. 2- Previous plans represent framework required to be followed up by working groups and project management. 3- By the end of actions of each cluster, an expert from UPU shall be invited in order to evaluate the achievements and find out the deficiencies, if any. The cluster actions should not be deemed completed until being assessed and their execution level quantified by the delegated expert. 				

<p>1- Cluster One finalizing the Procedures of implementing the universal post services according to the market needs and the cost:</p>	<p>1-1 Preparing a proposal for UPS in Syria</p>	<p>Devise a “Proposal for UPS” aligned to the needs and scope of both economic as well as technical points of view.</p>	<ul style="list-style-type: none"> o Scope of the Postal Services to be included in the Syrian UPS. o Proposal on the conditions of performance of the services. o Cost Estimations. Minimum performance - three scenarios of different levels of conditions of performance. o Financing of UPS. o Proposal for the Indicative Plan for the development of the UPS for the country. 	<p>EXECUTION: – Reform work team with Consultant. – Consultant: Postal Expert.</p> <p>DURATION OF CONSULTATION: Three (3) months – consultant.</p> <p>DURATION OF EXECUTION: Six (6) months.</p> <p>ESTIMATED COSTS: 60,000 USD</p>
<p>1-2) Activities of introducing authorities to UPS issues</p>	<p>1-2) Activities of introducing authorities to UPS issues</p>	<p>Organizing a workshop or a seminar.</p>	<p>Suggested Topics:</p> <ul style="list-style-type: none"> – “Fundamentals and Environment of UPS in Syria”. – “Proposals for UPS in Syria”. – “Analysis of UPS in Syria and Proposals for future developments”. 	<p>Duration: One (1) day</p> <p>ESTIMATED COSTS: 10,000 USD</p>
<p>2- Cluster two : developing and approving the postal sector policy</p>	<p>2-1) Formulation of Postal Sector Policy</p>	<p>Formulation of Postal Sector Policy</p>	<ul style="list-style-type: none"> o Review of the existing information, analyses and previous studies covering UPS and the Postal Sector. o Discussion on the result of the Task Group on Postal Reform. o Identification of the objectives and strategies of reforms and the other criteria of the policy formulation. – Preparation of the draft document on the Sector Policy (5 to 10 pages). o Revision of the rough draft of the 	<p>EXECUTION:</p> <ul style="list-style-type: none"> • Experts on Postal Sector Reform and Sector Policy design. • Assistance of the working group on Reforms. <p>DURATION OF CONSULTANCY: Half (0.5) month – consultant.</p> <p>DURATION OF EXECUTION:</p>

			<p>working group of Reform, adjustments and approval. Revision of the Proposal document by authorities and approval.</p>	<p>Two (2) months Miscellaneous expenses US\$ 2238 ESTIMATED COSTS: 12,238 USD</p>
<p>3- Cluster three: preparing the legal reform actual implementation of the legal framework</p>	<p>3-1) Drafting postal law</p>	<p>Preparation of the postal law project</p>	<ul style="list-style-type: none"> o General aspects of Law. o UPS - Principal contents of the Law o Operation of UPS o Operation of Services o Regulatory Regime o Disciplinary State o Other Regimes such as Price Regime and Customs Regime 	<p>EXECUTION: Postal Expert specializing in Legal Reform. Assistance for minimum two (2) months, of high level legal experts. Assistance of Working group on Postal Reform DURATION OF CONSULTANCY: One (1) month - Consultant DURATION OF EXECUTION: Two (2) months ESTIMATED COSTS: 20,000 USD</p>

	<p style="text-align: center;">3-2) Preparation of plan of regulation authority establishment and activation</p>	<p>The postal regulator is responsible for ensuring the adherence to the regulation and legal norms in respect of the postal activities, to comply with the market for the services and the UPS offered under the prescribed conditions.</p> <p>Define the scope of the Government Regulator to regulate and intervene in the postal activities, based on the needs of the sector.</p>	<ul style="list-style-type: none"> • Analysis of the market situation for introducing State intervention in the postal service (public service). • Preparation of Action Plan Proposal to establish the regulation. • Details of the process of organization of the Regulator and the implementation of its operation. • Details of the process of preparation of the regulation norms according to general features of the plan and the legal framework contemplated by the government Postal bill. • Details of the process required to progressively establish the regulation norms in the market, taking care to minimize the resistance of the operators. • Analysis of the plan of legal framework that contemplates the dispositions of the Postal bill, with respect to the orientation and organization of the regulatory Law. • Preparation of a prototype of matters and contents of the regulation, for approval by Reform Task Group. Elaboration of the plan phases of preparation of rough drafts, revisions, corrections and approvals of the Work Team. • Preparation of the texts of the regulation, in phases. 	<p style="text-align: center;">EXECUTION:</p> <ul style="list-style-type: none"> • Postal Expert specializing in Postal Reforms Regulation. • Assistance of one (1) high level legal expert. • Support of Postal Reforms group. <p style="text-align: center;">DURATION OF CONSULTANCY</p> <p>Three (3) months – Consultant.</p> <p style="text-align: center;">DURATION OF EXECUTION</p> <p>Six (6) months.</p> <p style="text-align: center;">ESTIMATED COSTS: 75,000 USD</p>
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<p>4- Cluster four: developing the legal entity of the public operator</p>	<p>3-3) Awareness of Parliament and different society levels about UPS issues, legal framework</p>	<p>Organizing of a workshop or a seminar.</p>	<p>Suggested Topic:</p> <ul style="list-style-type: none"> - Process of Postal Law. - Application of Legal Regulation. - Regulations and the exercise of the Regulatory function. - Specifications of Norms and the distinct regimes of Sector regulation. 	<p>Duration: Maximum one day.</p> <p>ESTIMATED COSTS: 10,000 USD</p>
	<p>4-1 The legal entity of public operator</p>	<p>A rapid study on the legal entity of public operator (represented by GEP) was conducted during the project preparatory phase. It discussed, basing on the results of studies of preparatory phase, a set of proposals on the legal entity form that can be assigned to the public operator according to reform and development actions intended to be implemented with a view to modernize the Syrian postal sector.</p>	<p>A number of recommendation were resulted from this study on option(s) can be opted in view of the results of studies conducted during the project preparatory phase. These results will be depended on the present results; so, if the public operator's legal entity is wanted to be reconsidered, more accurate and detailed study should be conducted once all information and numeric data needed to determine the proper option are made available.</p>	<p>EXECUTION:</p> <ul style="list-style-type: none"> • Postal Expert specializing in Postal Reforms Regulation. • Support of Postal Reforms group. <p>DURATION OF CONSULTANCY</p> <p>One (1) month – Consultant.</p> <p>DURATION OF EXECUTION</p> <p>Three (3) months.</p> <p>Miscellaneous expenses US\$ 2,000</p> <p>ESTIMATED COSTS: 27,000 USD</p>

<p>5- formulating Project Management unit</p>	<p>5-1 Project Management unit in place</p>	<p>Activities of project management for 2 years minimum.</p>	<ul style="list-style-type: none"> - Recruitment of National Project Director (NPD) 85,000 USD - Recruitment of project Admin/Fin Assistant. 20,000 USD - Recruitment of a driver. 10,000 USD - Office Furniture 2,000 US\$ - Office car 5,000 US\$ - Office equipment : PCs, printers, photocopier, lap tops. 15,000 US\$ - Travel and participation in conferences and awareness activities (Local and International). 5,000US\$ 4,000 USD 8,000 USD Miscellaneous expenses US\$ 2,000 ESTIMATED COSTS: 156,000 USD 	<p>370,238 USD</p>
<p>Expected total costs for project activities</p>			<p>370,238 USD</p>	<p>13,012 USD</p>
<p>GMS fees (5 %)</p>			<p>13,012 USD</p>	<p>383,250 USD</p>
<p>Total Costs</p>			<p>383,250 USD</p>	<p>383,250 USD</p>

3. Cost Estimation of Execution of the Plan

3-1. BASES FOR THE ESTIMATION.

These costs are for the tasks of technical studies that support the main actions of the Reform of the Sector. These studies relate to the Determination of the UPS, the Sector Policy, the legal framework and Regulation and the development plan. Also included are the costs of special activities of sensitizing of the interested parties, in the matters of the modernization.

One should not confuse these costs and their financing, with the investments and financing of the activities contemplated in the development plan of GEP, whose main component will be important levels of investment and impossible to reckon at this time.

In several items of work contracting postal experts is considered, combined with contracting of local professional support.

3-2. the estimate duration OF the DP ACTIONS.

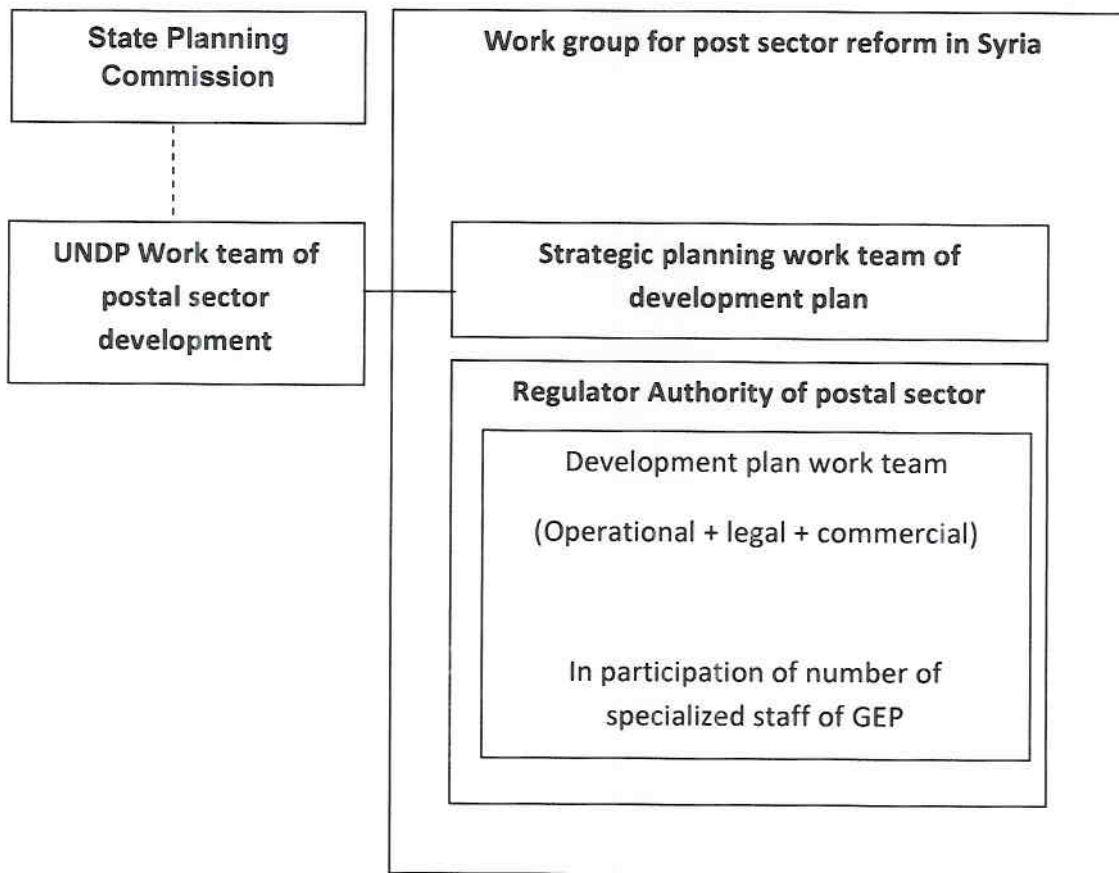
The costs estimated under the countries cooperation plan, is presented in the following page. These costs are estimated to be a total of 357,000 USD. The execution of all these actions is expected to be carried out in a period of two years, depending on the speed with which the activities can start, based on the availability of resources.

<u>Action</u>	Consultant (months)	Execution (months)
1- Cluster One: Procedures of UPS Execution		
Preparation + Evaluation	0.5	2
1-1) Sort postal services included by the concept of UPS	0.5	3
1-2) Determine the quantitative values for formulating the final UPS definition	1	6

1-3) Approval of suggested costing model	0.5	3
1-4) Preparing a proposal for UPS in Syria	0.5	3
1-5) Activities of introducing authorities to UPS issues		6
Cluster two & three: approval of sector policy and actual implementation of legal framework		
Preparation + Evaluation	Included in the cluster cost	
2-1) Formulation of sector policy – cluster two	0.5	2
2-2) Drafting postal law – cluster three	1	2
2-3) Preparation of plan of regulation authority establishment – cluster three	1	2
2-4) Activation of regulation authority operation – cluster three	2	5
2-5) Awareness of Parliament and different society levels about UPS issues, legal framework – cluster three		6
Cluster four: the legal entity of public operator	1	3
Preparation + Evaluation	Included in the cluster cost	

4. Organizational structure of development plan execution

For the direction and co-ordination of the execution of the PD activities, a minimal structure is constituted with the Director of Postal Sector Reform to guide the Task Groups. Further on in the next section, a suggested structure for the execution of the Plan is presented.



5. Comparison between the present Syrian postal sector development plan's actions and the general integrated development plan of 2005

The integrated postal sector development plan of 2005 included a **plan of reform and development of postal sector over a period of 3 years**. Provided bellow, an inventory of these actions and what has been implemented thereof in the first phase and what is remaining to be implemented in the next phase.

Timetable of the integrated plan of postal development and reform in 1st year (2006)

Period	Description	Implementation status
1 st quarter	<ul style="list-style-type: none"> - Creating work groups specialized in studies and preparation of draft laws and orders; - Organizing a seminar on postal development and reform; - Preparing timetable for finalizing various studies and scheduling visits of experts in various fields; - Holding regular meetings of the follow-up team chaired by Minister of Communications and Technology Regularly. 	<ul style="list-style-type: none"> - Included in the current plan in preparation for the work of the implementation phase; - proposed by the end of the implementation of the legal framework and universal service; - Work group decides the need for experts (local or international, if necessary), supposing that the proposed preparatory studies are completed and available.
2 nd quarter	<ul style="list-style-type: none"> - Preparing external communication program on postal reform (media: radio - television - Newspapers – Magazines...); - Undertaking communications with all parties on the content of studies and draft laws; - Preparing Manual for provisions of various visiting experts: identifying their functions accurately and what they are required to perform; - Organizing visit of legal expert; - Holding regular meetings of the follow-up team. 	<ul style="list-style-type: none"> - proposed by the end of the implementation of the legal framework and universal service; - completed during the preparatory phase and there is currently a proposal for new postal Law and authorization regime with which it is consistent, in accordance with international standards, and it needs to be redrafted in line with local controls and laws. This will be d during the implementation

		phase of the project.
3rd quarter	<ul style="list-style-type: none"> - finalizing study of: <ul style="list-style-type: none"> • UPS definition; • The party responsible for UPS and the agreement and the program; • USP financing. - Organizing visit of expert in cost calculation; - Submitting the studies to GEP Board of director and the Government; - Holding regular meetings of the follow-up team. 	<ul style="list-style-type: none"> - Completed during the preparatory phase and there is currently a proposal for UPS definition without specifying the services associated with it, because of the problems with accounting costs of these services. Also available a proposal for costing model and methods of UPS financing and provision. - implementation phase aims at: <ul style="list-style-type: none"> • Identifying the services included in UPS; • Proposing scenarios for implementing UPS; • Submitting integrated proposal of UPS to the government for adoption and approval.
4th quarter	<ul style="list-style-type: none"> - Submitting the postal draft law to PM; - Submitting the postal draft law to Parliament; - Participating in the strategic seminar of UPU; - Completing study of UPS cost; - Organizing visit of an expert quality of service; - Holding regular meetings of the follow-up team 	<ul style="list-style-type: none"> - Included in activities of current implementation plan, and they are parts of actions required to be followed up by legal reform team; - Included in activities of current implementation plan after preparing integrated proposal on UPS; - Included in activities of current implementation plan as a part of reform section related to UPS operator service development.

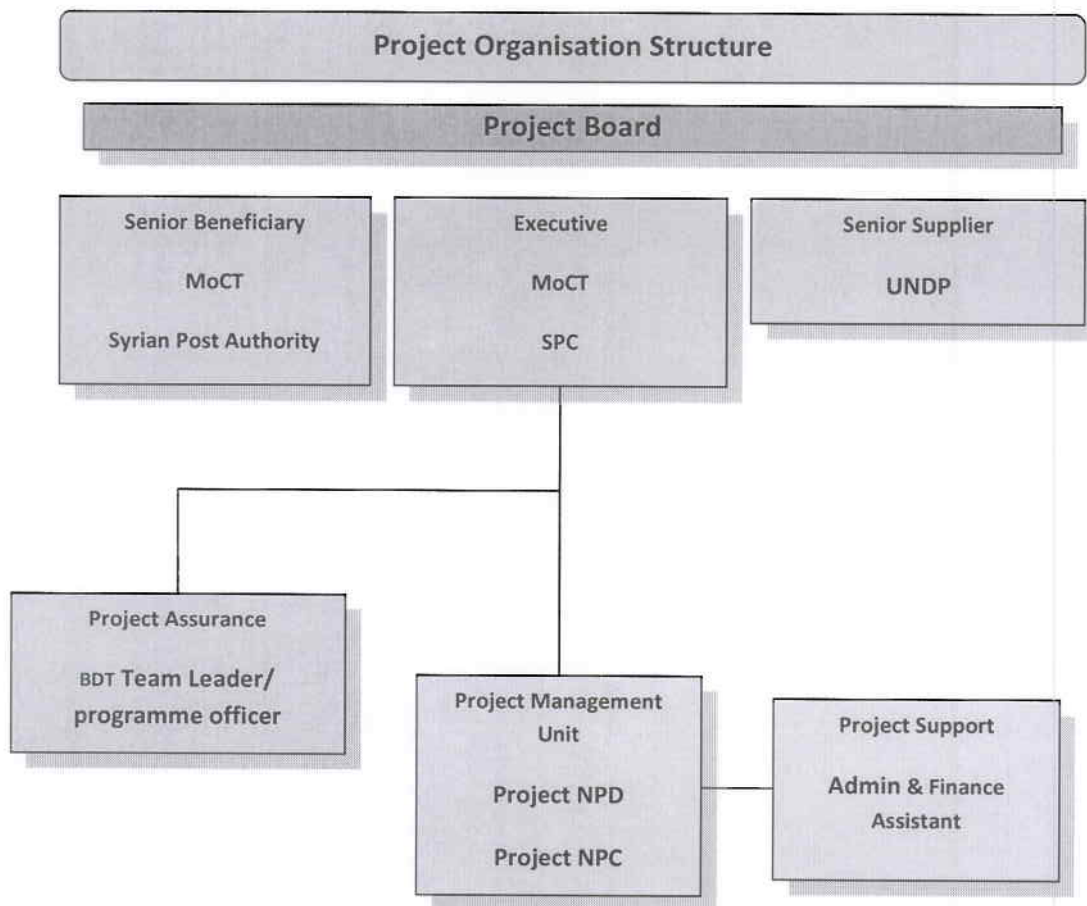
Timetable of the integrated plan of postal development and reform in 2nd year (2007)

Period	Description	Implementation status
1st quarter	<ul style="list-style-type: none"> - Issuing Postal law; - Issuing executive regulations; <p style="text-align: center;"><i>Assessment of 1st year of reform</i></p> <ul style="list-style-type: none"> - Organizing visit of expert in postal 	<ul style="list-style-type: none"> - They are part of legal reform work group' tasks; - Assessment is carried out at the end of each cluster by an expert delegated by UPU; - Concerning financial and other

	<p>checks and savings;</p> <ul style="list-style-type: none"> - Holding regular meetings of the follow-up team 	<p>services, it comes within the detailed context (stage of postal product development) recommended by the proposed commercial strategy of GEP which is needed to be implemented during the next implementation phase.</p>
2nd quarter	<ul style="list-style-type: none"> - drafting Law on postal checks; - drafting postal savings law; - organizing visit of an expert; - organizing media campaign on postal law and its executive regulations; - Holding regular meetings of the follow-up team. 	<ul style="list-style-type: none"> - Included in the new postal draft law needed to be re-drafted in accordance with local standards; - Local experts will be used for formulating of the new postal law; - The current plan's activities include a seminar on legal reform.
3rd quarter	<ul style="list-style-type: none"> - Designating a head of regulation authority; - Appointing staff in regulation authority; - Preparing the headquarters; - Reviewing the manual of authorization provisions and issuing it; - Organizing visit of an expert; - Holding regular meetings of the follow-up team. 	<ul style="list-style-type: none"> - Included in the actions of setting up and operating regulation authority, which has not been discussed in the project preparatory phase; they all are left to the next phase.
4th quarter	<ul style="list-style-type: none"> - Stabilizing and starting the work of regulation authority ; - Establishing "market surveillance teams"; - Submitting the postal checks law to PM; - Submitting the postal savings law to PM; - Organizing visit of financial expert; - Organizing a sensitization meeting with all stakeholders on every new development; - Holding regular meetings of the follow-up team. 	<ul style="list-style-type: none"> - Included in the actions of setting up and operating regulation authority, which has not been discussed in the project preparatory phase; they all are left to the next phase. - These laws are included in legal framework implementation actions.

Timetable of the integrated plan of postal development and reform in 3rd year (2008)

Period	Description	Implementation status
1st quarter	<ul style="list-style-type: none"> - Initiating the new financial services; - Initiating regulation authority's operation; - Presenting comprehensive assessment of the plan. 	<ul style="list-style-type: none"> - Included in the actions of setting up and operating regulation authority, which has not been discussed in the project preparatory phase; they all are left to the next phase. - Assessment is carried out at the end of each cluster by an expert delegated by UPU.
2nd quarter	<ul style="list-style-type: none"> - Introducing the necessary reforms to the new services; - Completing and operating all IT networks; - Developing GEP website. 	<ul style="list-style-type: none"> - Included in the 2nd part of the development plan for modernization of UPS operator's services; - Completed during the preparatory phase of the project.
3rd quarter	<ul style="list-style-type: none"> - Initiating the e-government services in the post offices; - Giving GEP the trust intermediary status in e-transactions; - Developing the financial services; - Introducing added value services in postal business; - Communicating about all achievement in the communication market and what's on. 	<ul style="list-style-type: none"> - Commercial strategy includes how to stimulate these actions in the coming years.
4th quarter	<ul style="list-style-type: none"> - Participating in 24th conference of UPU: the delegation may consist of: legislator + regulator + operators + civil society representative. 	<ul style="list-style-type: none"> -



Annual Work Plan (covering the project period):

Project	Key Activities	Years			Responsible Party	Planned Budget						
		2009	2010	2011		Fund	Donor	Budget Desor		Budget 2009		
								Budget Desor				
Modernization of Syrian Post Authority Service	the Procedures of implementing the universal post services according to the market needs and the cost finalized	x	x	x	MoCT	30071	SYR	71300	Local Consultant	60,000.00		
			x		MoCT	04000	00012	72700	Hospitality	3,000.00		
			x		MoCT	04000	00012	73400	- Rental & Maint of Other Equip	2,000.00		
				x	MoCT	30071	30071	72800	Information Technology Equipment	5,000.00		
			x		MoCT	30071	30071	72200	Equipment and Furniture	5,000.00		
			x		MoCT	30071	30071	72200	Equipment and Furniture (car)	15,000.00		
				x	MoCT	04000	00012	74200	Audio Visual&Print Prod Costs	3,000.00		
			x		MoCT	04000	00012	74500	Miscellaneous Expenses	1,000.00		
				x	MoCT	04000	00012	72500	Supplies (stationary)	1,000.00		
					MoCT	30071	30071	75100	Facilities & Administration	4,250.00		
								Sub-Total			99,250.00	
			the postal sector policy developed and approved	x	x		MoCT	30071	SYR	71300	Local Consultant	10,000.00
				x		MoCT	30071	30071	74500	Miscellaneous Expenses	2,238.00	
					x	MoCT	30071	30071	75100	Facilities & Administration	612.00	
								Sub-Total			12,850.00	
	the Post legal reform actual implementation of the legal framework prepared	x	x		MoCT	30071	SYR	71300	Local Consultant	20,000.00		
		x		MoCT	04000	00012	71300	Local Consultant	75,000.00			
		x		MoCT	30071	30071	72700	Hospitality	3,000.00			
		x		MoCT	30071	30071	73400	- Rental & Maint of Other Equip	2,000.00			
		x		MoCT	30071	30071	74200	Audio Visual&Print Prod Costs	3,000.00			
		x		MoCT	30071	30071	74500	Miscellaneous Expenses	1,000.00			
		x		MoCT	30071	30071	72500	Supplies (stationary)	1,000.00			
				MoCT	30071	30071	75100	Facilities & Administration	1,500.00			
							Sub-Total			106,500.00		
		the legal entity of the public operator developed	x	x		MoCT	04000	00012	71300	Local Consultant	25,000.00	
	x			MoCT	30071	30071	74500	Miscellaneous Expenses	2,000.00			
				MoCT	30071	30071	75100	Facilities & Administration	100.00			
						Sub-Total			27,100.00			
	Project Management unit formulated	x	x		MoCT	30071	SYR	71400	Contractual Services - Individ	85,000.00		
		x		MoCT	30071	30071	71400	Contractual Services - Individ	20,000.00			
		x		MoCT	30071	30071	71400	Contractual Services - Individ	20,000.00			
		x		MoCT	30071	30071	72200	Equipment and Furniture	2,000.00			
		x		MoCT	30071	30071	72800	Information Technology Equipment	4,000.00			
		x		MoCT	30071	30071	71600	Travel	8,000.00			
		x		MoCT	30071	30071	74500	Miscellaneous Expenses	2,000.00			
				MoCT	30071	30071	75100	Facilities & Administration	6,550.00			
							Sub-Total			137,550.00		
							Total Budget			370,238.00		
						Total F&A			13,012.00			
						TOTAL Budget with F&A			383,250.00			

Implementation Strategy

a. Government Strategy

The Syrian Government is undergoing a major economical reform program to move the current economy toward open Social Market Economy. This massive task requires involvement of stakeholders at all levels combined with serious commitment to improving government institutional services to citizens and businesses and to an overall institutional and administrative reforms, and modernization program of the government structure and role.

Ultimately, the success of this Project is measured by the contribution it will make to provide an enabling environment for the implementation phase of post development programme. This will be achieved through improving the administrative services and enhancing accessibility through reform of legal frameworks, processes and automation and using e-government and e-business strategy.

Moreover, the Government/ MoCT intends through this joint project to conduct a study to analyze postal services delivered currently in the local market and presented in USP report prepared during the project preparatory phase.

To better respond to the country's needs at this stage, and in order to assist in ensuring soft landing of the economy in its transition, the UNDP technical assistance is needed to provide technical expertise and best practices that could help Syrian policy makers to decide on how to verify options and choose country-specific alternatives in implementing the Development Programme.

Recognizing these issues, the current Tenth FYP (2006-2010) lays out an ambitious agenda of economic reforms. The 10th FYP is aiming at streamlining the investment laws, preparing and implementing a policy framework for SMEs, and working on modernization of the business development services especially in the use of information and communication technology.

b. UNDP Strategy

UNDP technical assistance project falls within the framework of UNDP's overall support to the implementation of the Tenth Five Year Plan. This project is in line with UNDP's corporate priority to support countries in pushing forward their MDGs agenda and in promoting human development. It specifically aims at:

- Supporting the government in achieving the expected outputs of the Tenth Five Year Plan through Institutional and Public Administration Reforms.
- Aligning institutional and administrative reforms and government services with economic reforms to optimize growth and include services to citizens and businesses through providing reengineered policies, processes and structure

This project will specifically support UNDAF Outcome 2 Efficiency and accountability of governance structures at central and local levels strengthened, by Government, civil society and the private sector, towards sustainable development and the corresponding

CPD Outcomes B.4 Improved administrative services for citizens and courts' administrations taking into account citizens' rights and the needs of vulnerable groups and CPAP Output: B.4.1 Better targeting, access to improved public services enhanced through procedures simplification

Project Strategy

The project will build on the achievements made in and draw on the lessons learnt from Project SYR/05/020 which can be considered phase I of this Document. In this second phase, the project will assist the ministry in creating an enabling environment to execute the implementation plan of the post development programme through achieving the project outputs.

Management Arrangement

The project will be nationally implemented by the Ministry of Communication and Technology (referred to as the implementing partner) in accordance with the established UNDP rules and procedures. The SPC will be responsible for the overall implementation of the project and for ensuring that the day-to-day activities are implemented in accordance with the work plan. It will also be responsible, together with UNDP Country Office, for supervising project staff and consultants and ensuring, that proper equipment is in place and coordination of events. The implementing partner will be responsible for providing in kind contribution of office space, facilitation of contacts, access to information and resources and allocation of national and local counterparts. Staff of the implementing partner will support the project as part of the capacity development requirements.

A National Project Director will be recruited according to UNDP rules and procedures and will be responsible for the day-to-day management and decision-making for the project. S/He will also be accountable for the implementation of all the activities of the project, coordination among the different stakeholders, ensuring adherence to and application of acceptable financial management systems and monitoring and evaluating the project's overall progress. S/He will be accountable to the PB, and any changes in the milestones and outputs of the project will be discussed with and agreed upon by the PB. The NPD will head the project Management Team, which will also include admin and finance assistant whom will be recruited by UNDP according to its rules and regulations.

The purchase of non-expendable equipment and services will be done by UNDP according to its rules and regulations. An Implementation Support Service (ISS) fee will be charged to the project according to the nature of services offered as requested by National Project Director. The request should be based on a procurement plan submitted along with the work plan. These fees will be charged based on the latest update of the UNDP Universal Price List

Planning and management of implementation will be governed through approved annual work plans, with schedules defined either monthly or quarterly. The approved annual

work plan, once endorsed by MoCT, SPC and UNDP, will be the instrument of authorization to the Project Team to implement.

The Project Team will be subjected to monthly, quarterly and annual reporting and review requirements. These reviews will reassess, if appropriate, the work plans. These reviews are intended to create the necessary conditions for effective and efficient execution as well as implementation.

Monitoring and Evaluation

The Project management and the implementing partner (MoCT) will be responsible for delivering the outputs of the project, the implementation, input management, and sound administrative management. The National Project Director will develop and submit a detailed project work plan, a procurement plan at the outset of the project, quarterly financial reports, and quarterly progress reports to the UNDP country office. The report should include two sections, namely project implementation and project performance. It should receive inputs from Deliverable Descriptions, Outputs Definitions, Quality Log, Issues Log, and Risks Log. Additionally, an annual progress report (APR) and a final project review report at the end of the project will be submitted to UNDP. These documents will provide critical information and lessons learned regarding the effectiveness of the implementation strategy and the delivery of outputs.^{1*}

The Project Board will meet on a regular basis in order to take stock of the progress of the project. All stakeholders will also participate in a Final Review Meeting at the end of the project duration, where a Final Project Review Report highlighting the main achievements, results, and lessons learned will be reviewed and discussed. A number of field visits should take place by UNDP CO during the life of the project, to ensure proper implementation of the project. The project is subject to auditing at least once in its lifetime, in accordance with NEX regulations.

- Risks Log:

Risk is a major factor to be considered in designing and managing any project. Risk can be defined as the possibility that an event will occur and affect the achievement of outputs either negatively or positively. As such, it can represent a threat or a missed opportunity.

In order to contribute to a project's success, risks must be identified, assessed and prioritized. Then the possible actions to deal with these risks need to be considered and an appropriate action plan needs to be developed. This involves planning for and implementing resources to carry out selected actions to address the risks. These actions must be incorporated in the project

¹ These reports will be prepared in line with the UNDP updated rules and regulations and the templates included in the user guide 2006 (<http://content.undp.org/go/userguide/results/project/>)

work-plan, and require periodic monitoring and reporting to ensure that all risk management activities are having the desired effect.

Risks should be identified and assessed using the project Risk Log (annex 4). Once once the project Award has been created in Atlas, the risks should be recorded in the Atlas Project Management module. The Risk Log should be maintained and updated as required in Atlas for the duration of the project

Risks Associated with implementation can be identified as follows:

- Operational: The processes of recruitment and procurement are time consuming and may cause delays in implementation.
- Operational: Inability to find qualified national experts for preparing Project documents, e.g.: postal law , postal sector policy.

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.

Annex 1: Terms of Reference of the Project Board

The Project Board is the group responsible for making by consensus, management decisions for a project when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance to standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the Board, final decision shall rest with the UNDP Programme Manager. In addition, the Project Board plays a critical role in UNDP commissioned project evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability and learning.

Project reviews by this group are made at designated decision points during the running of the project, or as necessary when raised by the Project Manager. This group is consulted by the Project Manager for decisions when Project Manager's tolerances (normally in terms of time and budget) have been exceeded (flexibility). Based on the approved annual work plan (AWP), the Project Board may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the projects and external bodies. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities.

- **Project Board Members:**
 - Implementing Partner: Minister of Communication and Technology
 - UNDP RR or Deputy Resident Representative
 - Head or Deputy Head of SPC
 - Responsible Parties

- **Ex-Officio:**
 - The Project Team
 - The National Project Coordinator
 - UNDP Programme Officer

- **Terms of Reference:**
 - Agrees on annual work plan and approve quarter work plan including approval of resources (financial and human) needed for quarter period.
 - Facilitate the work of project director visa vie other agency
 - Agree on any necessary step needed for better project implementation
 - Review financial audit report
 - Review quarter progress report
 - Ensure that Government funds are made available when needed by taking proactive steps and prerequisites for release of funds

- Ensure that there is a clear and unambiguous decision-making process with the relevant governmental bodies for project implementation so that project activities are implemented well
 - Review APR reports
 - Attend TPR meetings
- **Frequency of Meeting:**
 - Minimum meets once per year or as need be. UNDP or the implementing partner can call for a meeting

Annex 2

Terms of Reference - National Project Director

Objective: The National Project Director (NPD), working in close cooperation with the UNDP (the executing agency) and the State Planning Commission (the implementing agency), is responsible for delivery of the project outputs as per the Project Document and in accordance with UNDP rules and regulations.

Responsibilities:

- a) Assume overall responsibility for the successful execution and implementation of the project towards achieving the outputs as per the Project Document.
- b) Represent the project at Steering Committee Meetings and Tripartite Reviews.
- c) Ensure the adherence of project activities to the approved project work plan.
- d) Ensure the proper use of project resources.
- e) Ensure that UNDP rules and regulations for nationally executed projects are implemented in all project activities, including procurement and recruitment.
- f) Represent the national executing agency at project and annual reviews.
- g) Support resource mobilization efforts to increase resources in cases where additional outputs are required;

The National Project Director will be assisted by a Technical Manager and other Technical and Administrative Staff in fulfilling the following responsibilities:

Management:

- a) Supervise the work of the Technical Manager and Administrative staff, project work teams, Consultants and sub-contractors.
- b) Manage the project's financial resources to achieve the completion of project outputs.
- c) Manage the project's material resources, ensuring that vehicles, office equipment, furniture, etc are properly maintained and used correctly for implementation of project activities. Ensure that the required work plan is prepared and updated in consultation and agreement with UNDP and distributed to the Government (SPC)

- d) Initiate and administer the mobilization of project inputs under the responsibility of the executing Agency.
- e) Support to media/communications work of the project;
- f) Ensure that UNDP is invited to all stake holder meetings.

Technical:

- a) Identify and locate, in consultation with UNDP, the services needed to move the project along, and
- b) Prepare terms of reference and contracts according to UNDP authorized procedures
- c) Arrange, in consultation with UNDP, the recruitment of project professional and support staff in line
- d) With approved recruitment processes.
- e) Prepare annual and detailed quarterly work plans;
- f) Obtain approval from UNDP on annual and quarterly work plans during their preparation and present
- g) The final work plans to the Project Steering Committee for approval.
- h) Prepare papers for the project steering committee.
- i) Prepare funding proposals if required.
- j) Draft technical and other documents as required.
- k) Share with UNDP draft document and outputs for comments, as well as final products.
- l) Develop mechanisms for updating stakeholders on progress of project.
- m) Participate in all project meetings and annual reviews.

Facilitation:

- a) Ensure that UNDP's name is mentioned in all publications, workshops, and project's activities;
- b) Serve as the focal point of the project for coordination of the project activities with UNDP, SPC and other ministries and local authorities and other partners on behalf of the project.
- c) Ensure that the Government inputs for the project are available;
- d) Liaise with the UNDP Programme Officer on daily/weekly basis to ensure proper monitoring and realization of results.
- e) Liaise with UNDP staff to organize the annual review, evaluation missions and project visits.

- f) Liaise with various stakeholders (academic, media, government, donors, etc).
- g) Lead efforts to build partnerships for the support of outcomes indicated in the project document.
- h) Support resource mobilization efforts to increase resources in cases where additional outputs and outcomes are required.

Financial:

- a) Act on behalf of the executing agency in preparing and adjusting commitments and expenditures.
- b) Act as the sole authorizing officer for all project financial transactions (Le. approve all financial expenditures and sign all direct payments.)
- c) Authorize commitments of resources and expenditures for inputs including staff, consultants, goods and services and training.
- d) Hold Responsibility for delivery of project's services and achieving annual financial delivery targets;
- e) Manage the project resources e.g. vehicles, office equipment, furniture and stationery procured under the project and maintain asset register;
- f) Ensure that appropriate accounting records are kept and organized; facilitate and cooperate with audit requirements at all times, as required

Reporting:

- a) Progress towards achieving outputs:
 - Quarterly reports of progress on project activities for each of the activities listed for that quarter in the annual and quarterly workplans. - Annual project reports (APRs).
 - A Terminal Report at the end of the project, in the approved UNDP format.
 - Technical, policy and briefing papers as requested by UNDP and the executing agency.
 - Any reports requested by UNDP for the TPR meeting (Tripartite Review).
- b) Financial reporting:
 - Quarterly financial reports, in the approved UNDP format.
 - Annual financial reports, in the approved UNDP format.
 - Final financial report at the end of the project, in the approved UNDP format.

Reporting Line: Contractually to the UNDP Resident Representative and technically to

both UNDP and the Implementing Partner.

Evaluation: The renewal of contract will be based on satisfactory midterm and final performance evaluation by UNDP and the implementing partner.

Annex 3

Terms of Reference - National Project Coordinator:

Objective:

The Government national project coordinator is the focal point of the implementing partner vis-a-vie the project. He/ She facilitates the implementation aspects of project activities.

Duties:

The coordinator will act on behalf of the related ministry (execution agency) and will have the following responsibilities:

- Ensures coordination of all project activities between all parties (related ministry - UNDP and other).
- Follows up on all activities and transfer opinion of executing agency to project during implementation.
- Participates in the periodic project meetings as well as TPR and Steering Committee.
- Assures homogeneity at all levels (technical/ functional) related matters and insure quality assurance of process.
- Participates in preparing project progress and quarterly reports, biannual, and final reports.
- Provides information on the technical level and administrative issues (rules and regulations of the ministry) to enhance the link between UNDP-project and the ministry.
- Facilitates the job of the National Project Director and staff in implementing project activities.
- Ensures smooth continued support from the staff of the ministry.
- Reports any problems obstacles to the head of the executing agency and obtains relevant solution.

Annex 4

Risk Log Table

Project Title:	Award ID:
Date:	

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Enter a brief description of the risk <i>(In Atlas, use the Description field. Note: This field cannot be modified after first data entry)</i>	When was the risk first identified <i>(In Atlas, select date. Note: date cannot be modified after initial entry)</i>	<ul style="list-style-type: none"> • Environmental • Financial • Operational • Organizational • Political • Regulatory • Strategic • Other Subcategories for each risk type should be consulted to understand each risk type (see Deliverable Description for more information) <i>(In Atlas, select from list)</i>	Describe the potential effect on the project if this risk were to occur Enter probability on a scale from 1 (low) to 5 (high) P = Enter impact on a scale from 1 (low) to 5 (high) I = <i>(In Atlas, use the Management Response box. Check "critical" if the impact and probability are high)</i>	What actions have been taken/will be taken to counter this risk <i>(In Atlas, use the Management Response box. This field can be modified at any time. Create separate boxes as necessary using "+", for instance to record updates at different times)</i>	Who has been appointed to keep an eye on this risk <i>(In Atlas, use the Management Response box)</i>	Who submitted the risk <i>(In Atlas, automatically recorded)</i>	When was the status of the risk last checked <i>(In Atlas, automatically recorded)</i>	e.g. dead, reducing, increasing, no change <i>(In Atlas, use the Management Response box)</i>

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