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PROJECT APPRAISAL REPORT

Country: Syria

Project Title: Technical Services & Feasibility Studies I

Project Number: 2760001

Period: February 1975 to May 1977

PP Date: February 1975

Date Next Evaluation: June 1978

U.S. Funding: \$4,000,000

SARG Funding: \$500,000 equivalent (est)

Introduction

This is the first evaluation of this project. Because of the rather unique nature of this project, it is not feasible to use the standard Project Appraisal Report (PAR) form. Instead, as discussed in the Near East Bureau Evaluation Guidance (AIDTO CIRC A-260) USAID/Syria has chosen to evaluate this project in a narrative format.

Project Goal and Purpose

The Technical Services and Feasibility Studies 001 Project (2760001) was one of the first AID projects negotiated and agreed to after the resumption of the U.S. diplomatic relations and the U.S. economic assistance program in Syria. The goal of this project is to assist the Syrian Government in improved project identification, selection, design and evaluation of development activities. More specifically, the purpose of this AID project is to provide short term consultant services for preparation of technical, prefeasibility and feasibility studies. The project was also designed to fund other project development related work and technical advisory services. It was anticipated that projects identified under this activity could eventually be financed from Syria's own resources or from funds made available from international financing institutions and bilateral donors, including but not limited to, the United States. This project

was also established as part of the U.S. effort to improve relations with Syria as part of the total Middle East policy to bring about peace in the area and to demonstrate U.S. support for Syria's key role in this situation by assisting Syria's development in a sound but flexible manner.

### Background

Syria is now involved in its fourth Five Year Plan 1976-1980. An integral part of its economic planning is the objective of initiating programs aimed at meeting the development aspirations of the Syrian people. There are urgent needs to increase agricultural production and to create more employment, raise incomes, expand agricultural and industrial production and in general improve the welfare of the Syrian people, especially the bulk of the population still living in the rural areas.

While Syria is intent on achieving these development objectives, it unfortunately does not have sufficient technical expertise to achieve this target. As with most developing countries, there are simply not enough technically trained experts and managers who can properly plan and implement development programs. This situation seems to have been exacerbated during the 1967-74 period when Syria did not have diplomatic or other contacts with the United States and several western countries and therefore had only limited access to Western technology. As a result of this need for expertise and technological information, the Syrian Government very early requested AID to provide assistance in this area.

Following the decision to resume the AID program in Syria, a team of AID experts, consisting of a team leader, two agriculturalists, an engineer and a loan officer/engineer, toured Syria for approximately two weeks during January 1975. This team met and discussed with senior Syrian officials and technocrats in Damascus and several parts of Syria numerous development activities which could be considered for funding under this project and possibly later projects as well. An illustrative list of possible activities was included in the Project Paper approved in AID/Washington in February 1975.

The \$4 million grant agreement was signed with the Syrian Government's State Planning Commission on February 27, 1975. Following that signing and prior to the opening of the AID office in Syria, an AID Officer remained in Damascus for another three weeks to plan with the Government the eventual

utilization of funds in the grant. At the same time, AID was awaiting the satisfaction of simple Conditions Precedent to Disbursement which unfortunately took the SARG approximately 120 days to comply with.

Despite the initial Syrian enthusiasm and apparent pent-up demand for the use of these funds, the early draw-down of these project resources was very slow and limited. This was due primarily to the general unfamiliarity of the Syrian Government with U.S. resources and practices, not to mention AID's policies and procurement procedures. While there was much senior level political and economic interest in the project, many Syrian officials at the staff and technical levels simply did not know how to work out requests, draft scopes of work or plan for the technical services to be provided under this project. Eventually, however, after about 18 months, during which the USAID staff spent much time and effort in teaching and explaining to SARG officials the method of obtaining assistance, the sub-obligations under this project increased rapidly.

At present, as indicated in the attachment, this project has been totally programmed and in fact over-programmed. The Syrian Government, having gained experience in dealing with AID and U.S. experts, is now quite eager to submit requests to USAID/Damascus for technical services and feasibility studies under the AID program. However, because of the earlier lull and the relatively smaller size of the initial activities (which was not anticipated during the original planning of this project) the utilization rate in the form of actual sub-obligations and expenditures has not been as great as desired. As of March 31, 1977, sub-obligations totalled \$2,336,685 and expenditures amounted to \$374,643. However, as shown in the attachment, this utilization rate will soon increase dramatically in view of the planned contracting for at least two large activities (Technical advisors to Fiqeh and the Transportation Sector Assessment).

#### Project Activities Summary

The following are descriptions and evaluation comments related to the categories of usage as stated on the attachment:

##### 1) Forage/Agricultural Equipment

Dr. Henry Waelti's first trip to Syria in May 1975 was also the first activity in this project and the first technical

advice provided to Syria by the United States following the resumption of the AID program in Syria. This three-week technical study was arranged to review Syria's forage and fodder production plans which were receiving high priority by the Syrian Government. Dr. Waelti toured the forage producing areas in the country and made several recommendations regarding the planting, harvesting and mechanization of the program. The Syrian Government accepted many of Dr. Waelti's recommendations in technical areas. Others, however, were subordinated to prevailing political decisions that had been made regarding the very large size of this program.

Dr. Waelti's second trip in late 1975 to Syria was for the purpose of helping to review equipment specifications contained in bids submitted by U.S. suppliers for forage equipment to be funded under an AID loan (007). The objective of this activity was achieved, though the Syrian Government did not take advantage of Dr. Waelti's advice. Instead, the government decided to buy lower cost, though of poorer quality, equipment from several Eastern European countries, utilizing non-AID funds.

## 2) Forage Design Team

A highly qualified team of six experts (including Dr. Waelti) from Washington State University visited Syria for approximately one month in April-May 1976 to review and make comprehensive recommendations regarding Syria's planned forage and fodder program. This technical study was successful in providing sound technical advice to the Syrian Government regarding various aspects and policies of a forage program. The Syrian Government accepted the recommendations (planting, harvesting, crop rotations, fallow land practices, etc.). No further action was required or requested by the SARG after this study was successfully completed.

## 3) Irrigation

Mr. James Watson, AID/W engineer, visited Syria at the request of the Ministry of the Euphrates Dam to prepare a list of irrigation equipment which could be financed under AID commodity import loan or from other resources. This list with specifications was prepared as requested and submitted to the Syrian Government. As of this time, it is expected that the Syrian Government will be purchasing most of this equipment either from the United States under the AID loans or through other financing. Mr. Watson later returned with Mr. James Stephenson, AID consulting engineer, to assist the Euphrates

Ministry and USAID in the development and design of the Euphrates Irrigation Maintenance Project (011). This consultancy resulted in a \$17.6 million AID loan project during FY 1976.

4) Euphrates-Balikh Basin Section Two

Because of the extremely high priority placed by the Syrian Government on the agricultural development of the Euphrates River Basin, the SARG requested assistance from the U.S. and other donors to help in the funding and implementation of several activities in the Euphrates region. AID was specifically asked to consider a very large construction project in the Balikh River Basin Section Two area. To assist in the review of a Bulgarian design and to determine accurately the costs of this project, a three-man contract team from Engineering Consultants, Inc. (ECI) was financed under this project and visited Syria in June-July 1976. While the quality of this contract study was not up to AID's expectations, the ECI report did help in obtaining a more precise estimate of the costs of this project. As a result of further study by AID of potential benefits, the proposed project involving AID participation was shown to be very expensive with a zero rate of return. Consequently, as a result of this study and related benefit analyses, AID decided, and informed the SARG which concurred, that AID should not participate in this project.

5) Akkar Plain

A three-man contract team from Public Administration Services visited Syria in April-May 1976 to prepare prefeasibility study of the integrated agricultural development of the Akkar Plain. After this study was completed, it was reviewed for more than six months by the Syrian Government and finally accepted. This prefeasibility study confirmed the development potential of the Akkar Plain and constitutes the basis for a follow-up feasibility study. The PIO/T for the feasibility study was subsequently prepared and presented to the SARG. After some second thoughts by AID/W, this PIO/T for \$400,000 was amended and increased to \$800,000 to finance increased work in order to accomplish the scope of work. When completed and if the results are positive, this feasibility study will serve as the basis for an AID loan for the design and implementation of irrigation, drainage and agricultural development work in the Plain. This estimated \$28 million project loan is currently planned for FY 1978.

6) Poultry

A four-man contract team from Experience, Inc. performed a technical study of poultry production programs in Syria in September 1976. Poultry production is a high priority activity for the Syrians, which, if improved, could lead to benefits in terms of increased agricultural production, higher incomes, foreign exchange savings and more highly nutritious food. The technical report was completed and submitted to the Syrian Government which is now reviewing its findings and recommendations. The USAID expects that this report will serve as the technical basis for a later AID loan project.

7) Vegetable Dehydration

The Syrian Government is interested in improving the nation's food processing operations. A specific request for a technical study of an onion dehydration plant in Salamiyeh was therefore requested. A preliminary study has been prepared by George Parmon, AID/W agricultural expert, regarding which USAID is now awaiting copies of the final report. Pending the recommendations in the final report, the SARG and USAID will request follow-up contract services to assist the plant and the SARG in improving and expanding its food processing operations, looking to diversification of products and gaining new markets.

8) Lentil Study Team

Five Syrian officials visited the United States to observe U.S. lentil production processes. This trip was an outgrowth of one of the recommendations in the Washington State University report on forage production mentioned above. The trip seems to have gone well as a training program, but it is difficult at this time to point out specific results. The SARG and USAID are awaiting the final report of the visit by the Syrian team.

9) Health/Family Planning/Nutrition

A health sector reconnaissance team consisting of Messrs. Coleman, Banta, Grant and Hemaïdan (latter two funded from this project) visited Syria in November 1975 to review the health sector and identify project possibilities for AID assistance. Following the report of this team, a more detailed study was performed by several other contractors and a direct hire AID health specialist to design a project. The result of this latter study was the Development of Health Services project (006)

which had its initial obligation in FY 1976. This grant activity provides assistance in the areas of health planning, hospital maintenance and health statistics.

10) National Technical Health Institute

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Partly related to the above health study, the Syrian Government requested USAID to assist in the training of para-medical and auxiliary health workers. USAID has requested contract services to design the project and is now awaiting the resolution of contract selection and availability problems in order to proceed with this project design. Following the June 1977 technical studies, USAID plans to submit a Project Paper in July 1977 for AID/W review and approval. Initial obligation of this grant activity is planned for September 1977.

11) English Language Training

With the resumption of the AID program in Syria, the most active project quickly became the General Participant Training project, involving the technical training in the U.S. of numerous SARG officials. Unfortunately, it soon became apparent that there were insufficient numbers of Syrian officials who were both technically qualified and sufficiently fluent in English. As a result, the SARG requested AID to help in establishing an English language training program in Syria. Mr. Jack Dagilaitis was contracted for this purpose and submitted a report which resulted in an English Language Training project (002) which was begun in FY 1976.

At the same time, and as an interim activity, AID contracted with several U.S. personnel services contractors to begin teaching English prior to the establishment of the longer term project. This English language training activity has been very successful in training 200 Syrians, with about 50 reaching a level of fluency in English. Numerous graduates of this program have already begun their technical training in the U.S. as AID participants.

12) Vocational Education

At the request of the SARG and in collaboration with the World Bank, AID is arranging for 5-6 vocational educational experts to visit Syria in June 1977 for about three months each to identify vocational education equipment which will be later funded under an IBRD loan. USAID is awaiting word from AID/W regarding these contract services.

13) Vocational Training

Dr. Bruce Reinhart visited Syria for about three weeks in November 1976 to advise the Ministry of Industry's Vocational Training Directorate about Syrian requirements in this area. Dr. Reinhart's report has been submitted to the government and its recommendations are being considered for implementation by the SARG, the IBRD and the British Government.

14) Meteorology

In response to a SARG request, AID arranged for Dr. Vaughn Rockney a highly qualified U.S. meteorologist to make a survey of Syria's meteorology operations, especially as related to equipment needs. Dr. Rockney worked with the General Directorate of Meteorology for almost three weeks in October 1976 and prepared an excellent report. His recommendations have been incorporated into SARG planning and operations and one follow-up request has been submitted to AID in the area of air pollution. USAID is now awaiting AID/W's response to this request.

15) Town Planning

The Syrian Government is now considering the creation of a new satellite city, Dimas, outside of Damascus. AID financed a contract with a private U.S. firm, PADCO, to prepare a technical study of the feasibility of such plans and the necessary documents for obtaining a contract to assist the SARG in designing the new town of Dimas. This contract study was completed successfully in February 1977 despite several changes in thought and approach by the Syrian Government. The report was submitted in May 1977 and is now being reviewed by the SARG. No further AID support is anticipated. The contract was considered by all to have been highly worthwhile in introducing reliable urban planning concepts to the SARG.

16) Lattakia Highway Studies

Syria is attempting to complete the development of its highway infrastructure. The government has requested that AID fund the feasibility studies of three highways originating from Lattakia. One of these, the Lattakia-Tartous hiway, is planned for later funding for design and construction by AID. The Lattakia highways PIO/T has been sent to AID/W and USAID is now awaiting the result of the advertisement and short-listing of contractors.

17) Technical Advisors to Fiegh

AID is actively involved in loan funding of the water supply and distribution network in Damascus. As an adjunct to this loan activity, AID has agreed to grant fund the contract services of three technical/management advisors to the Damascus water utility office (Fiegh). The cost of advertisements for the recruitment for experts has already been sub-obligated. The additional cost involved in the selection of the contractor and the actual cost of the 30 man-months for each contractor will be funded out of this project as well. This total activity has proven to be one of the more successful AID projects in Syria to-date.

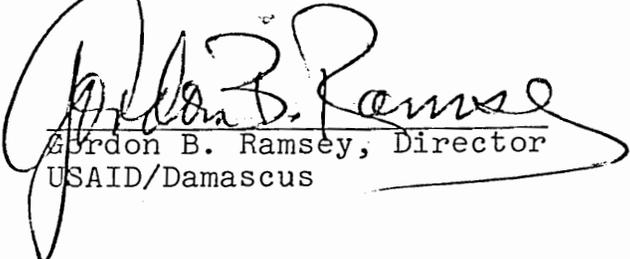
18) Transportation Sector Assessment

The Syrian Government plans to review its requirements for the entire transportation sector, leading to an improved investment plan. Following an earlier unsuccessful attempt to obtain a contractor, the SARG requested AID to assist in this study. AID believes such an assessment is important to Syria's further economic development. USAID is currently awaiting the preparation by AID/W experts of a proposed scope of work for this study. It is presently anticipated that the total foreign exchange cost of this study will approximate \$1.5 million. Such costs will be financed from funds available under this technical services project with additional needs being funded from a second, successor technical services project (005).

Conclusion

As can be seen from the above, this project, after getting off to a slow start, has proven to be highly successful in providing technical experts and technological information for use in Syria's development program. It has also helped AID to develop several projects for funding in Syria. At the same time, it has assisted in the total effort of improving Syrian-U.S. relations by enabling the U.S. Government to respond in a highly flexible and positive way under this Security Supporting Assistance program. Because of these results and in view of the future additional needs, the SARG has requested AID to provide assistance in the form of new projects for Technical Services and Feasibility Studies. USAID/Damascus has included such requests in its planning for FYs 1977, 1978, and 1979.

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May 27, 1977

  
Gordon B. Ramsey, Director  
USAID/Damascus

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Technical Services and Feasibility Studies I Grant (001)  
(\$4 Million)

<u>Title of Services or Name of Consultant</u>	<u>Est. Costs</u> <u>(\$)</u>
<u>I. Activities Completed or Underway:</u>	
<u>1. Forage/Agricultural Equipment:</u>	
A. Dr. Henry Waelty's first trip	5,677
B. Dr. Henry Waelty's second trip	5,125
<u>2. Forage Design Team:</u>	
Six short experts to help formulate overall program- Washington State University	48,633
<u>3. Irrigation:</u>	
Mr. J. Watson - Equipment Identification	1,529
Mr. J. Watson - Project Development	1,529
Mr. J. Stephnson - Project Development	2,462
<u>4. Euphrates Basin Section (2)</u>	
To review cost estimates and design - ECI	60,000
<u>5. Akkar Plain</u>	
Three men team to prepare prefeasibility study	24,857
Akkar Plain feasibility study	800,000
<u>6. Poultry Production Improvement</u>	40,300
Experience, Inc.	
<u>7. Vegetable dehydration:</u>	
One contract expert for three months	15,200
One Aid expert for one month (G.Parmon)	2,000
<u>8. Lentil Study Team:</u>	21,600
<u>9. Health/Family Planning/Nutrition Project:</u>	
Norris and Bichell (Family Health Care)	22,084
Medical Equipment Repair (Kaiser foundation)	6,084
Emily V. Leonard (DH-TA)	2,785
Health Survey Statistician(Reaserch Traingle Inst. J. Bergeston)	10,500
N.Hemaidan, Travel Tunisia-Damascus	1,058
Robert Grant, (DH-TDY)	2,550
<u>10. National Technical Health Institute</u>	
ONE EXPERT FOR ONE MONTH to design the Project	7,500

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<u>Title of Services and Name of Consultant</u>	<u>Est. Costs</u> ( <u>\$</u> )
<u>11. English Language-Project Design/Teaching:</u>	
Teaching Consultancy (Dagilatis)	25,313
English Language Training (Smalzer)	43,100
Teaching English (Mills)	5,466
Teaching English (Oliver)	6,782
Teaching English (El Kasrawi)	2,300
Teaching English (Hobbs)	1,350
Books, Tapes and supplies	1,963
<u>12. Vocational Education:</u>	
5-6 experts for 3 months to help the Ministry of Education in identifying vocational training equipment to be funded under IBRD Loan	110,000
<u>13. Vocational Training (Dr. Reinhart):</u>	9,728
<u>14. Meteorology (Mr. Rockney):</u>	7,510
<u>15. Town Planning/Dimas Team (PADCO):</u>	110,000
<u>16. Lattakia Highways Study:</u>	930,000
<u>17. Advertising expenses for the recruitment of Figh experts:</u>	1,700
<u>SUB TOTAL</u>	<u>2,336,685</u>

## II Activities Planned

<u>1. Technical Advisors to Figh:</u>	
- Three men Consultancy Team working with Figh	500,000
- Travel expenses for Figh representatives and candidates	7,000
<u>2. Transport Assessment *</u>	1,156,315
Sub Total	<u>1,663,315</u>
Grand Total	4,000,000

\* Additional financial needs to be funded from FY 1977 Technical Services/Feasibility Studies II Grant.

24 May, 1977