



EVALUATION OF

THE ROLE OF UNDP IN THE NET CONTRIBUTOR
COUNTRIES OF THE ARAB REGION

ENHANCED
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Manufactured in the United States of America

Design: Suazion, Inc. (NY, suazion.com) **Production:** A.K. Office Supplies (NY)

FOREWORD

This report presents an assessment of the effectiveness of UNDP's programmes in supporting the development challenges and aspirations of the net contributor countries (NCCs) of the Arab region. The report analyses the implications of this experience for UNDP's corporate policies on NCCs as well as for its future activities. The evaluation is especially relevant in light of the growing number of middle-income countries that will graduate to net contributor status in the coming years.

The analysis in this report is based on evidence collected from field work in all five net contributor countries of the Arab region (Bahrain, Kuwait, Libyan Arab Jamahiriya, Saudi Arabia and the United Arab Emirates), consultations with UNDP units in New York, and an in-depth desk review of UNDP programmes in these countries as well as UNDP's overall strategies, policies and practices regarding NCCs. The evaluation team interacted with government officials, UN system representatives and other national stakeholders. In addition, to encourage broad participation in the evaluation process, surveys were undertaken to determine the perceptions of a wide range of stakeholders regarding UNDP's current and potential role in their respective countries. Three national research institutions were contracted to undertake the studies, which were carried out in Bahrain, Kuwait and Saudi Arabia. The resulting National Stakeholder Perception Reports were extremely useful, and complemented earlier UNDP-focused studies.

The evaluation found a clear match between the emerging needs of net contributor countries and UNDP's mandate and capabilities. The overarching conclusion is that there is strong justification for continued and strengthened UNDP presence in the net contributor countries of the Arab Region. All five countries strongly desire a UNDP presence, primarily since it is the embodiment of

the UN system and serves both as a window and conduit to the international arena. The evaluation distils the view emerging from stakeholders that UNDP's country presence and value-added have more intrinsic worth than the contribution of its activities to meeting the countries' development challenges.

The evaluation also found that UNDP's reform processes—which have evolved over the last decade and include a focus on practice areas and a new corporate business model—were not sufficiently mirrored in the formulation and management of country programmes in Arab region NCCs.

National ownership is a strong feature of these programmes, but this has resulted largely from the fact that governments finance almost the entire UNDP programme in their respective countries. In the rapidly changing environment in which the net contributor countries now find themselves, UNDP needs to respond to opportunities for more effective engagement, recognizing that business as usual could result in increased marginalization and reduced significance of its activities in terms of their human development objectives. This is especially true in the context of increased private sector competition in providing the kind of technical assistance that UNDP is known for.

A stakeholder workshop held in early 2008, at the end of the evaluation process, brought together UNDP, government and civil society partners from all five countries for the first time. The objective was to discuss the recommendations of the report and to take the relationship forward. The participants raised the need to establish a new relationship with UNDP that would move away from the traditional development agency/client dynamics to one of full and equal partnership at both the strategic/policy and programmatic levels. I am very grateful to government and civil society

representatives who engaged with the evaluation team and were very generous with their time. I would also like to thank the Resident Representatives, UNDP country office staff and members of UN Country Teams in all five Arab region NCCs for their time and support. Without their help, this evaluation could never have taken place. In addition, UNDP colleagues in headquarters also deserve our thanks for their input into the process. We would especially like to acknowledge the Regional Bureau for Arab States, which provided significant support while respecting the independent nature of the evaluation process.

The evaluation team was led by George Zaidan, a former senior World Bank official with significant experience in the Arab region. He was supported by Michael Reynolds. National Stakeholder Perception Reports were undertaken in Bahrain, Kuwait and Saudi Arabia by the Bahrain Centre for Studies and Research, Focus Marketing Consultancy and the Gulf Research Centre, respectively.

An external advisory panel was established and an attempt was made to represent all five countries in the region. The members of the panel were Dr. Baqer Salman Alnajjar (Bahrain), Dr. Rola Dashti (Kuwait), Dr. Ali Abdullahtif Ahmida (Libya), Dr. Ebtisam Al-Kitbi (UAE) and

Dr. Clement Moore Henry (a regional specialist). We also received very useful comments on earlier drafts from the five Arab region NCC country offices and the Regional Bureau for Arab States. The final report and the stakeholder workshop benefited from the ideas, comments and suggestions of members of this panel.

Given the importance and complexity of this evaluation, Nurul Alam, the Deputy Director of the Evaluation Office, provided substantive guidance and management oversight to the evaluation process. Research support was provided by Karima Nehmeh. Concepcion Cole and Anish Pradham provided important administrative and dissemination support.

I hope that readers will find the evaluation useful and that it will contribute to enhancing the quality and results of UNDP's work in the Arab region NCCs. I also hope that this evaluation will contribute to the development of a corporate strategy for UNDP's engagement with net contributor and middle-income countries.



Saraswathi Menon
Director, UNDP Evaluation Office

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ACRONYMS AND ABBREVIATIONS

ADR	Assessment of Development Results
AFESD	Arab Fund for Economic and Social Development
CAWTAR	Centre for Arab Women Training and Research
CCF	Country cooperation framework
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CSO	Civil society organization
ESCWA	UN Economic and Social Commission for Western Asia
FAO	Food and Agricultural Organization of the United Nations
GCC	Gulf Cooperation Council
GIS	Global Information System
GWU	General Women's Union (UAE)
HARPAS	HIV/AIDS Regional Programme in the Arab States
HDR	Human Development Report
ICTDAR	Information and Communications Technology for Development in the Arab Region
ILO	International Labour Organization
IRIN	Integrated Regional Information Networks (OCHA)
MDG	Millennium Development Goal
MYFF	Multi-year funding framework
NCC	Net contributor country
NEX	National execution
NGO	Non-governmental organization
NSPR	National Stakeholder Perception Report
OCHA	Office for the Coordination of Humanitarian Affairs (UN)
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
POGAR	Programme on Governance in the Arab Region
PPP	Purchasing power parity
RBAS	Regional Bureau for Arab States (UNDP)
SURF	Subregional Resource Facility
UAE	United Arab Emirates
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS

UNDG	UN Development Group
UNDP	United Nations Development Programme
UNDSS	UN Department of Safety and Security
UNEP	United Nations Environment Programme
UNESCO	UN Educational, Scientific and Cultural Organization
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIC	United Nations Information Centre
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNODC	UN Office on Drugs and Crime
UNIFEM	UN Development Fund for Women
UNOPS	UN Office for Project Services
UNFPA	UN Population Fund
UNU	United Nations University
WFP	World Food Programme
WHO	World Health Organization
WMO	World Meteorological Organization

EXECUTIVE SUMMARY

INTRODUCTION

For UNDP, net contributor countries (NCCs) are a special group that bring together the UN principle of universality with that of progressivity: All countries are eligible to participate in UNDP programmes, but those with higher levels of income are affected by policies that limit the resources that can be provided by UNDP. The five NCCs within the group of Arab States—Bahrain, Kuwait, Libyan Arab Jamahiriya (Libya), Saudi Arabia and the United Arab Emirates (UAE)—are busily adapting to fast-changing internal and external environments. Internally, all five countries have recently experienced rapidly growing economies combined with moves towards greater political openness. At the same time, they have had to adapt to the onward march of globalization and the challenge of finding their role in this new external environment. This shifting context suggests that UNDP's relationship with these countries also needs to evolve.

This independent evaluation of the role of UNDP in net contributor countries of the Arab region was commissioned by the Evaluation Office of UNDP. Its focus is very much on learning and the future role of UNDP in this group of countries. The key objective was to assess how well UNDP's activities and programmes in Arab region NCCs addressed development challenges and supported national aspirations. It also sought to assess the implications of this experience for UNDP's corporate policies and practices relating to NCCs and for its future activities in those countries. The evaluation is especially relevant in light of the growing number of middle-income countries that will graduate to NCC status in the coming years.

The UNDP Executive Board, in decision 2006/19, approved the 2006–2007 programme of work for the Evaluation Office, including the

conduct of the evaluation of the UNDP role in the net contributor countries in the Arab Region. Following the resolution, the evaluation was conducted by an independent evaluation team in 2007 and included visits to all five countries. Many types of stakeholders, representing both government and civil society, participated in the evaluation process. To solicit a wider range of views about UNDP's role than could be obtained from short missions by the evaluation team, National Stakeholder Perception Reports (NSPRs) were commissioned in three of the countries and undertaken by national research organizations. On completion of the final draft, a stakeholder workshop was held to bring together government, civil society and UNDP to examine the report and its recommendations, with the specific objective of finding ways to strengthen UNDP's engagement in Arab region NCCs.

PROGRESS AND DEVELOPMENT CHALLENGES

With the exception of Libya, all the Arab region NCCs are classified as high-income countries; all fall into the category of high human development countries. Moreover, all of them are making good progress towards achieving many of the Millennium Development Goals (MDGs). Poverty is known to exist in Libya and Saudi Arabia, but it has largely been eradicated in the other three countries. Bahrain, Kuwait, Libya and the UAE have all achieved universal primary education, and Saudi Arabia is making significant gains towards that goal. There is some progress towards gender equality, but this remains an important challenge in these countries. As in education, tremendous advances have been made in terms of health. Rates of infant and child mortality in these countries have fallen dramatically over the last 35 years. All countries have a low prevalence of HIV/AIDS and are taking steps to ensure that

the spread of the virus is contained. The seventh MDG, ensuring environmental sustainability, remains a challenge in all five countries. There has been greater progress on MDG 8, achieving greater global partnership for development: The NCCs of the Arab region are harnessing the potential benefits of globalization for national development and providing generous support for development in countries in need of assistance.

Notwithstanding notable progress in terms of human and economic development, all five countries face a number of challenges. Underlying these is the aspiration to deepen and strengthen their integration into the world economy. This means finding 'niches' of comparative advantage in which they can play a role that transcends their contributions to the energy sector to become important actors in areas such as trade, financial services, information and communications technology and tourism. Among the more important challenges, many of which are related to integration into the global economy, are the following:

- **Economic diversification:** The economies of Arab region NCCs are still over-reliant on oil in terms of economic activity, government revenue generation and export earnings. Recent increases in prices have only increased this reliance. In view of the limited supply of oil in the long term, the challenge for some time has been to diversify away from petroleum and related products. Diversification, together with social and political dialogue, are needed to reduce the large and widespread inequalities among these countries' citizens.
- **Employment creation:** All Arab region NCCs have a young and growing national population, a large number and share of expatriate workers in the private sector and stable public sectors with little room for expansion. The rights of migrant workers raise sensitive social and human issues that need to be addressed. The challenge for Arab region NCCs is to facilitate a gradual shift

away from dependence on expatriate labour while addressing their concerns. At the same time, they need to create sustainable employment opportunities for new entrants in the labour market, especially youth and women. Reform of the training and education systems to ensure that young people have the appropriate skills for employment in the private sector are related challenges. A strong role for the private sector is crucial to both employment creation and diversification.

- **Public administration and governance:** Related to the above is the challenge of strengthening and streamlining large public administrations while ensuring that employment opportunities exist outside government service. Further progress on governance reforms is desirable in the interest of co-opting disadvantaged segments of society into the political process as well as in achieving the commitments to democratic governance envisaged in the Millennium Declaration.
- **Gender equality:** Recent progress in this respect needs to be extended and deepened in the political, economic and social spheres. Programmes to empower women are needed—for example, by fostering employment opportunities, especially at the managerial level and through ownership, as well as by accessing knowledge through the Internet and other sources.
- **Protecting the environment:** All five countries face environmental challenges, the most critical of which is water. Rapid urbanization and development, especially along coastal regions, also pose environmental problems.

UNDP RESPONSE TO DEVELOPMENT NEEDS

UNDP has responded to development challenges in Arab region NCCs in the context of its own organizational evolution. Specifically, UNDP's reform efforts have led to a new practice focus, along with greater emphasis on development effectiveness, national ownership and working in

accordance with a corporate business model. The recently adopted UNDP Strategic Plan (2008–2011)¹ notes the need for strengthening application of this business model, which is built on the three pillars of coordination, advocacy and development services in line with the support UNDP provides to programme countries towards the fulfilment of their national development strategies. In terms of this response, the following represent the key findings of this evaluation:

GOALS AND THEMATIC ALLOCATIONS

A common theme of both programming cycles in all five NCCs was human resource development. Various aspects of governance and globalization were prominent in the second programming cycle, reflecting the evolution of UNDP's mandate in these areas. However, environment, a continuing concern and area of emphasis for UNDP, was present as a major goal in only two country programmes in each cycle. Neither combating HIV/AIDS, one of five UNDP practice areas in the second programming cycle, nor promoting gender equality, one of its cross-cutting themes, were included as goals in any of the country programmes of Arab region NCCs.

The thematic allocation of projects in both programming cycles reveals an increasing emphasis on governance in both Bahrain and Kuwait; in contrast, governance represented a small proportion of programmes in Libya and Saudi Arabia. The allocations in both country programmes in Libya were primarily of a sectoral rather than thematic nature, and involved the role of education, agriculture and industry in reducing poverty, an area not heavily represented in other countries. Combating HIV/AIDS and promoting gender equality were pursued primarily through projects financed from a variety of UNDP sources, including Thematic Trust Funds, Resident Coordinators' budgets and regional programmes (henceforth referred to as 'UNDP-financed' as opposed to 'government-financed' activities).

RELEVANCE AND RESPONSIVENESS OF COUNTRY PROGRAMMES

UNDP country programmes were largely relevant to beneficiaries' needs. With the exception of a few large projects, they were also closely aligned to national priorities. UNDP responded quickly and well to emerging trends, often through projects that it financed. These projects were also found to be relevant to national priorities.

Country programmes were generally relevant to UNDP's mandate with the exception of a few large projects that were only tangentially related. Much of the important work in support of UNDP's human development agenda in NCCs comes from engagement with civil society and is financed primarily from UNDP sources.

CONTRIBUTION OF COUNTRY PROGRAMMES TO NATIONAL DEVELOPMENT RESULTS

When viewed by beneficiaries and UNDP country office staff, projects were largely seen as having achieved most of their objectives. They were also viewed as having contributed to national development results in a variety of sectors and themes. UNDP-financed projects were particularly successful in achieving their objectives. They initiated and promoted dialogue in politically and socially sensitive areas such as democratic governance, gender equality, HIV/AIDS and human development, while contributing to national objectives.

UNDP'S VALUE-ADDED

Given the demand-driven nature of UNDP country programmes in Arab region NCCs, there is a strong feeling of project ownership among national partners. A variety of factors make UNDP an attractive partner compared to other sources of international expertise: UNDP is a conduit and window to the UN system; it has access to a wide array of international expertise; it is transparent and impartial; it carries the UNDP imprimatur; it has guaranteed multi-year funding and relatively quick administrative procedures; and, in Bahrain and Kuwait, it is perceived to be a source of 'free' budgetary resources for beneficiaries.

1 In October 2007 by the UNDP Executive Board

UNDP has provided maximum value-added to projects within its core competencies by making substantive contributions. In projects outside its core competencies, which account for most of the country programmes, UNDP has played a more limited coordination-cum-managerial role. And in a few large projects, UNDP's value-added was limited to an administrative-financial role, which was largely process oriented.

Respondents to the three NSPRs had less positive views of UNDP's value-added than the country offices. In Saudi Arabia and especially Kuwait, UNDP's role was seen to be primarily administrative, and insufficiently involved in project content. National counterparts expressed a strong and unanimous desire to the evaluation team and in their response to NSPRs to see UNDP play a much stronger substantive role.

IMPLEMENTATION OF COUNTRY PROGRAMMES

A number of NCC country offices are heavily involved in implementation, primarily because of a government perception that it is UNDP's responsibility. In some countries, however, heavy UNDP involvement in implementation is required to meet delivery targets. Participation in regional programmes was limited mostly to a regional initiative to combat HIV/AIDS, which was effective notwithstanding cultural sensitivities associated with this issue. There is no framework that defines the mutual accountability of UNDP and governments or programmes to monitor the progress of project content. Furthermore, project evaluations have been very limited. The Subregional Resource Facility (in Beirut) provided adequate support to country offices in UNDP practice areas.

The lack of annual programming mechanisms in all Arab region NCCs contributes to the selection of projects that are not closely aligned to national priorities. Including UNDP projects in the budgets of central ministries, as in Bahrain and Kuwait, provides a distorted incentive for beneficiaries to make use of UNDP projects. Central ministry approval of contracts and expenditures in addition to project approval, as in

Bahrain and Kuwait, makes implementation of UNDP projects more onerous than it needs to be.

CONCLUSIONS

Based on the presentations made by government counterparts and actual and potential beneficiaries, along with the findings of the NSPRs, this evaluation sees a clear match between the emerging needs of NCCs and UNDP's mandate and capabilities. The overarching conclusion of this evaluation is that there is strong justification for a continued and strengthened UNDP presence in the NCCs of the Arab region. All five countries strongly desire the presence of UNDP, primarily because it is the embodiment of the UN system and a link to the international community. In fact, in the view of stakeholders, UNDP's country presence and value-added have more intrinsic worth than the contribution of its activities to meeting countries' development challenges.

1. UNDP needs to change the way it does business if it is to meet the expectations of the NCC partners in the Arab region. UNDP's reform process over the last decade has not been reflected sufficiently in the formulation and management of country programmes and country office cultures of Arab region NCCs. National ownership is a strong feature of these programmes, but it is largely the result of government financing. In the dynamic and rapidly changing environment in which the NCCs now find themselves, UNDP needs to respond to opportunities for more effective engagement, recognizing that business as usual could result in increased marginalization and reduced significance of its activities in terms of their human development objectives. This is especially true in the context of increased private sector competition in providing the kinds of technical assistance for which UNDP is well known.

2. The special conditions prevailing in Arab region NCCs—namely the demand-driven nature of their programmes and a limited UN field presence—argue for greater flexibility on the part of UNDP in these countries. In Arab

region NCCs, UNDP is frequently called upon to lend support in areas outside its mandate and core competencies, often in the context of limited UN agency presence. This implies that UNDP must be prepared to respond with a great deal of flexibility. Its facilitation role in drawing on UN system agencies takes on special significance, especially in areas not falling squarely within UNDP's mandate. At the same time, beneficiary government agencies often have unrealistic expectations of UNDP in projects involving UN specialized agencies, often believing that UNDP can and should have more than a coordinator-cum-managerial role in ensuring that needed technical inputs are forthcoming from the UN system.

3. UNDP has not sufficiently exploited the potential for developing partnerships in Arab region NCCs, which could further the quality and depth of its interventions. The environment for developing partnerships is unusual in NCCs in that there tends to be less competition from other donors and more from the private sector. In some Arab region NCCs, private sector firms can be found that offer upstream advisory services that UNDP needs to match in terms of quality and the speed of response. The region presents opportunities for partnering with national and regional aid organizations, which have not been exploited. Additionally, partnerships between UNDP and the UN system need to be further developed in light of a relatively limited UN presence and programmes.

4. There is only general awareness of UNDP and knowledge about its role in Arab region NCCs. Nevertheless, there are high expectations as to the extent and depth of UNDP's technical capabilities. Knowledge of the specific substantive contributions and the various services UNDP can provide is limited. Existing and potential stakeholders tend to have only a partial understanding of UNDP's relative advantage, which limits the organization's leveraging ability. UNDP has not defined with its counterparts (central government and prospective beneficiaries) in sufficiently specific terms where its comparative advantage lies vis-à-vis the private sector and

other UN agencies. The media can play a stronger role in fostering an awareness of UNDP and an understanding of its capabilities; the media can also be used to greater effect to foster partnerships with civil society and the private sector.

5. Some capacity-building has occurred. But to further UNDP's catalytic impact and leverage, more and better focus on capacity-building (and other aspects of sustainability as well as replicability) are paramount to all aspects of UNDP's country programmes. The record on capacity-building in all countries has been mixed. But all concerned—central ministries, beneficiaries and respondents to NSPRs—were unanimous in strongly urging a much strengthened UNDP role in this respect. While the need for greater capacity-building is universally recognized, realities on the ground during project execution often prevent it from happening. Typically, effective capacity-building is displaced by the pressures of 'doing' in response to beneficiary needs for quick results.

6. Better programming, implementation management and evaluation in the specific context of NCCs can improve the efficiency of country programmes. Programming arrangements vary across the five countries. However, they could be strengthened by the following 'ideal system': 1) a central focal ministry is involved in project approvals, which are reviewed in the context of an annual programme related to national priorities; 2) funds come from a central source to the budgets of the beneficiary ministry or agency; and 3) implementation (contract approvals and authorization of expenditures) is managed by the beneficiary agency and UNDP without involvement of a central ministry. Reformed programming arrangements also need to address accountability as well as effectiveness, for example, in relation to financing project and outcome evaluations.

7. The majority of projects funded primarily from non-governmental sources (UNDP Thematic Trust Funds, regional programmes, etc.) seemed to be highly successful in generating interest and furthering dialogue in sensitive areas. These important, low-cost activities were

used to respond to emerging political and social developments in sensitive areas of UNDP's mandate, such as gender equality, HIV/AIDS and the promotion of political reform. Funds were fully disbursed on time, and the projects were generally more effective than those funded by the government in promoting upstream advocacy activities. They were also effective in achieving their intended results, partly because UNDP was able to make a substantive contribution. In short, these projects had a better record on both effectiveness and efficiency than the average project in country programmes. They proved to be excellent instruments for promoting and advocating human development, albeit in a limited and ad hoc manner in view of the limited resources available for such activities and the governments' ambivalence towards funding them.

8. UNDP's policy towards NCCs, which requires a minimum delivery of \$10 million per programming cycle to justify a country presence, is questionable and needs to be revisited. This policy, which is not strictly adhered to, has encouraged the inclusion of large projects only tangentially related to national priorities in several NCCs. It has also encouraged some country offices to be more involved in implementation than is desirable. Delivery levels are not a good measure of potential development value because 1) the relationship between project amounts and development value is tenuous; and 2) UNDP is involved in many activities that add development value without being included in delivery. A move away from the current threshold could have beneficial consequences by allowing UNDP to focus on what it does best. In the longer term, this should, in turn, lead to an increased demand for UNDP services, thus increasing both delivery levels and development impact.

9. The capabilities of country offices in NCCs are insufficient to respond to the broader and more substantive agenda advocated by this evaluation. Hence there is a strong need to augment the substantive and technical support provided by the regional centre, UNDP headquarters and other sources. While it is clear from the feedback received by the evaluation team that

country offices have not been sufficiently involved in the substance of project work, it is not clear why this has been the case. Are resources being diverted towards implementation? Or are there deficiencies in staff capabilities or training or in management style or systems? A diagnosis of the constraints was not made by the evaluation team. There is a perception in country offices and the central ministries that NCCs are not given the same attention as other countries. And there appears to be a 'disconnect in spirit' between UNDP headquarters and the country offices of Arab region NCCs in terms of their integration into the new strategic and policy directions of UNDP.

RECOMMENDATIONS

The major recommendations of this evaluation are based on the overarching proposition, strongly articulated by all Arab region NCCs, that UNDP can be an important player and useful partner in helping these countries address their development challenges and engage with the international community.

RECOMMENDATIONS AT THE STRATEGIC LEVEL

1. Promote a new relationship between UNDP and the Arab region NCCs at the corporate level. This relationship, which will require strong commitment on the part of UNDP headquarters, should move away from the traditional development agency/client relationship to one of full and equal partnership at both the strategic/policy and programmatic levels. This partnership will be based on the principles of transparency, openness, mutual accountability and respect. Through consultation and dialogue, it should redefine UNDP's role and strategy in the NCC context and develop a common understanding and set of approaches for technical cooperation. The principles of partnership will recognize and be guided by the following:

- The acceptance by UNDP that governments will only include in country programmes activities that the government believes are priorities for the country. Government funding drives ownership, but demands from the

national side need to be moderated and discussed openly to strive towards an optimal alignment. Governments are receptive to an open discussion of their priorities, and the alignment of country programmes to national priorities can be shaped through an open dialogue with UNDP.

- UNDP's mandate and national priorities are largely congruent. As a result, UNDP can more fully exploit its role in supporting the development of national capacity, brokering knowledge, and promoting South-South cooperation and the transfer of technology. UNDP's primary partners are national governments. But this partnership can be supplemented by working with and leveraging partnerships with other actors, in particular civil society and the private sector, not only in the implementation of key aspects of the country programmes but also in the formulation of these programmes.
- The match and balance between national priorities and UNDP's mandate needs to be assessed in a wider context. That is, there must be a degree of flexibility that recognizes UNDP's strong role in NCCs as a window for accessing the diverse expertise in the UN system and also drawing on complementary inputs from its regional and global programmes. UNDP country offices should draw on complementary inputs from its regional and global programmes. The expertise (core competencies) and comparative advantage of UNDP lie in particular thematic areas where it can play a strong role in promoting human development and its core approaches such as national ownership, capacity development, knowledge transfer, gender equality and south-south cooperation. At the same time, it should stand ready to assist in its role as the gateway to the United Nations system—also seeking to add as much value as it can through the approaches listed above.
- UNDP's flexibility should apply not only to the identification of areas of UNDP engagement and the design of country

programmes, but also in its implementation—through greater adaptation to the national administrative processes of NCCs. Within a strengthened partnership, the principle of mutual accountability needs to be reinforced.

RECOMMENDATIONS AT THE CORPORATE LEVEL

2. Revisit UNDP's policy of requiring a minimum delivery threshold to justify a country office presence. In addition, develop specific guidelines on the application of existing UNDP policies to NCCs. The current minimum threshold for delivery that is applied equally to all countries should be replaced with country-specific qualitative criteria for justifying UNDP's presence. From 2010, most countries sending country programmes to the UNDP Executive Board will have programme documents accompanied by an *Assessment of Development Results* (ADR). This independent evaluation of UNDP's contribution to development in a particular country represents an appropriate tool for making a qualitative assessment of the viability of maintaining a country office. Criteria need to be drawn up to allow the ADR to make such a judgement and to identify the need to enter into discussion with the host country government on reform of the programme or other options, including closure of a country office or managing it from another country.

3. Develop guidelines in a number of areas related to the demand-driven nature of NCC programmes. The evaluation identified a number of gaps in UNDP's policies and guidelines for NCCs, which require special interpretation. Therefore, UNDP's future policy on middle-income and net contributor countries should consider incorporating the following issues:

- The flexibility with which UNDP can engage in an environment where much of the demand from NCCs goes beyond UNDP's practice areas.
- The application of UN reform efforts to NCCs in a context where governments fund

both the UNDP programme and those of specialized agencies.

- Accountability for monitoring and evaluation when these activities are funded by governments.

RECOMMENDATIONS AT THE PROGRAMMATIC LEVEL

4. Strengthen the relationship and interaction between the central services/regional bureaux at UNDP headquarters and the country offices in NCCs in the Arab region. The objective would be to align the activities of these offices more closely with UNDP's evolving strategies and policies to be able to respond more forcefully to the special challenges these countries face. A closer dialogue should be encouraged between the Regional Bureau for Arab States and UNDP country offices, at which government attendance should be encouraged. Initially, such dialogues could be held through regular bi-annual meetings, at the minimum. As a first step, the Regional Bureau for Arab States should establish a subregional committee to redefine UNDP's role and partnership strategy in the Arab region NCCs. The committee should seek to arrive at a common understanding of how activities in these countries should be approached, and include issues related to both programming and management. Moreover, if a new approach is to be adopted in the region, then the Regional Bureau for Arab States will have to commit considerably more resources, financial and human, to the region in the short term to support the transition. It should also explore opportunities for further intra-NCC partnerships. These could include events addressing mutual concerns, the sharing of lessons, and products such as joint assessments related to common challenges (for example, knowledge transfer and capacity-building).

5. Explore and develop partnerships with public and private aid agencies in Arab region NCCs. UNDP headquarters should decide on whether this role should be formally added to the responsibilities of Resident Coordinators/Resident Representatives in Arab region NCCs.

If so, the Regional Bureau for Arab States and the Bureau for Resources and Strategic Partnerships should help country offices develop country-based strategies. In addition, it would be necessary to build technical capacity as appropriate in each country office to respond to the demands of this new responsibility.

6. Strengthen the UN system to better respond to the more flexible approach being advocated for NCCs. The UN system partnership in the unique context of NCCs—government funding of the country programme and limited UN presence—needs to be strengthened. Options involving single budgets for the UN system and appropriate models of joint programming need to be explored within the UN and with the governments concerned. The Regional Bureau for Arab States and the UN Development Group should work together to explore and assess the options. This initiative could be followed by a pilot project in a net contributor country. The unequivocal endorsement of the government is critical for the success of such a pilot. Also, in view of UNDP's enhanced UN coordination role, it would be necessary to increase the budgets of Resident Coordinators. Moreover, to facilitate optimal utilization of the UN by the national government, there needs to be greater awareness about what UNDP, and the broader UN system, has to offer and how countries can access it.

RECOMMENDATIONS AT THE OPERATIONAL LEVEL

7. Improve the system of country programme design and management in line with the new principles of partnership between UNDP and the Arab region NCCs defined above. The programming function exercised by central ministries in relation to UNDP country programmes needs to be strengthened in all five Arab region NCCs. A framework needs to be agreed upon between the governments concerned and the UNDP country office whereby project selection would be better aligned to national priorities. Mechanisms to strengthen harmonization of UNDP's systems for management and implementation of activities with national

systems need to be established and the national execution system revised accordingly. Mutual accountability of UNDP and the government for monitoring and evaluation needs to be clarified in all NCCs. The UNDP country office needs to present regular progress reports on the content of projects as well as monitoring reports to a central ministry. An annual evaluation programme from which lessons can be drawn and applied to future projects needs to be agreed upon and implemented.

8. Strengthen the capacity of country offices to increase UNDP's contribution to the development effectiveness of its activities in Arab region NCCs and implement the new partnership envisaged above. An assessment of the capabilities of the country offices to become

more involved in the substance of work is timely. This assessment should lead to a strategy and plan to strengthen these capabilities in the light of the work programme for the next three to five years, and include the need for support from UNDP headquarters and the subregional office. For many country offices, this will likely require intensive staff training, in line with the human resource learning strategy of the UNDP Strategic Plan. Equally important is the need to develop processes across the project cycle—from design to evaluation—that encourage substantive inputs and a focus on capacity-building, sustainability and replicability of projects. Needless to say, all of this will provide a challenge for professional leadership in the management of country offices.

Chapter 1

INTRODUCTION

1.1 BACKGROUND

In 1997, UNDP determined that a programme country with a per capita gross national income of \$4,700 or more would be considered a net contributor country (NCC).² The main implication for such countries is that they do not receive core UNDP funds through normal distribution channels.³ Rather, they must finance their programmes almost entirely through their respective governments.⁴

Such a relationship has implications for the dynamic created between UNDP and the host country, in terms of ownership, partnership and accountability. This has prompted discussion of how UNDP can fulfil its mandate (see Box 1) to facilitate achievement of the Millennium Development Goals (MDGs) and other human development objectives in these countries, given their level of development, specific capacities and strong financial position. It has also stimulated discussion of what UNDP's future role should be in the NCCs. The articulation of this role is especially important in light of the growing number of middle-income countries that will

graduate to NCC status in the coming years. In response to this challenge, UNDP has established a task force to examine the issue and establish a corporate strategy for middle-income and net contributor countries. The UNDP Executive Board, in decision 2006/19, approved the 2006-2007 programme of work for the Evaluation Office, including the conduct of the evaluation of the UNDP role in the net contributor countries in the Arab Region.

Within this context, and as a contribution to that process, the Evaluation Office of UNDP conducted an independent evaluation of UNDP's role in the NCCs of the Arab region. UNDP plays a significant role in this region with 18 country offices, five of which are in net contributor countries.⁵ The Arab region NCCs covered by the evaluation are:

- Bahrain
- Kuwait
- Libyan Arab Jamahiriya (Libya)
- Saudi Arabia
- United Arab Emirates (UAE).

Box 1. UNDP's Mission

The UNDP mission is to support countries to accelerate progress on human development. This means that all UNDP policy advice, technical support, advocacy and contributions to strengthening coherence in global development finance must be aimed at one end result: real improvements in people's lives and in *the choices and opportunities open to them*. UNDP has championed this integrative approach to human development since the 1990s, using the *Human Development Reports* launched under the leadership of the late Mahbub ul-Haq with Amartya Sen, as important tools in this advocacy. Central to the human development approach is the concept of human empowerment. In addition to income, it treats access to education and health care, freedom of expression, the rule of law, respect for diversity, protection from violence, and the preservation of the environment as other essential dimensions of human development and well-being.

Source: UNDP Draft Strategic Plan, 2008-2011: Accelerating Global Progress on Human Development

2 The threshold has been increased to \$5,500 for the 2008-2011 programming cycle.

3 The target for resource assignment from the core (TRAC).

4 UNDP country offices have access to additional funds from a variety of sources, as described later in this report.

5 Oman and Qatar also had UNDP country programmes and would also be classified as NCCs. However, the UNDP offices were closed at the request of the governments concerned in 1992/1993 and 1998, respectively.

Table 1. Basic Indicators for NCCs in the Arab Region (2005)

Country	Population (millions)	Land mass (thousands of square kilometres)	Gross domestic product per capita (US\$)	Gross domestic product per capita (PPP US\$)
Bahrain	0.7	0.7	17,773	21,482
Kuwait	2.6	17.8	31,860	26,321
Libya	5.8	1,759	6,621	7,600*
Saudi Arabia	23.2	2,000	13,399	15,711
United Arab Emirates	4.5	83.6	28,611	25,514

* In 2002. World Bank Economic Report of July 2006, Report No. 30295-LY IBRD
Source: World Bank, World Development Indicators database.

Although they share the same region, these countries vary significantly in their geographic size and population. Their levels of income also vary, both in nominal and PPP (purchasing power parity) terms, as shown in Table 1. In this evaluation, the five countries have been dealt with as a cluster purely for the convenience of analysing UNDP's role in a group of countries that share a similar relationship with UNDP, namely the fact that they are net contributors. Any trends or comparisons made through the distillation of data in this report is meant to serve only the analysis contained within the parameters of the terms of reference of this evaluation.

1.2 REGIONAL DEVELOPMENT CONTEXT

1.2.1 PROGRESS TOWARDS HUMAN DEVELOPMENT

All five Arab region NCCs are classified as high human development countries in the 2007/2008 *Human Development Report* (HDR). Libya and Saudi Arabia only graduated to that category in 2007 (though Libya had attained this status ten years ago and then lost it). Table 2 illustrates the changes in the human development index value, classification and rank over the last ten years. Of the group, Kuwait stands out as having made the most progress during this period. The table also shows that all five countries, apart from Libya,

are classified by the World Bank as high-income countries. Bahrain and Saudi Arabia graduated to this level from upper middle-income status during the last ten years, while Libya has remained an upper middle-income country.

All five countries are making good progress towards achieving many of the Millennium Development Goals. Poverty is known to exist in Libya, but in the absence of official figures there is no agreement on its magnitude. In Saudi Arabia, the government has recognized the existence of poverty and placed great emphasis on improving the welfare of its people. The extreme poverty line (food insufficiency) in that country was estimated at about \$2 per person per day, a situation affecting 1.6 percent of families. Alternative measures of poverty also reveal some problems. For example, according to the UNDP-Kingdom of Saudi Arabia website, the prevalence of underweight children under five increased from 5.1 percent in 2000 to 6.4 percent in 2004. An indirect measure of poverty is the extent of malnourishment in the population. Data from all five countries show low levels of malnourishment—ranging from negligible to a maximum of 5 percent—well below the levels prevailing in middle-income countries (11 percent). The percent of underweight children under five years of age is also very limited.

Table 2. Basic Human Development and Income Indices

Country	UNDP human development index*						World Bank income classification	
	1997 HDR			2007 HDR				
	Value	Classification	Rank	Value	Classification	Rank	Fiscal year 1997	Fiscal year 2007
Bahrain	0.870	High	43	0.866	High	41	UMI**	HI***
Kuwait	0.844	High	53	0.891	High	33	HI	HI
Libya	0.801	High	64	0.818	High	56	UMI	UMI
Saudi Arabia	0.774	Medium	73	0.812	High	61	UMI	HI
United Arab Emirates	0.866	High	44	0.868	High	39	HI	HI

* The human development index measures average achievement in a country in three basic dimensions of human development: a long and healthy life, knowledge and a decent standard of living. For information on how the index is calculated, see <http://hdr.undp.org>

** Upper middle-income country

*** High-income country

Sources: UNDP *Human Development Reports* (1997 and 2006); World Bank *World Development Reports* (1997 and 2007)

1.2.2 IMPLEMENTING THE MILLENNIUM DECLARATION AND THE MDGs

Bahrain, Kuwait, Libya and the United Arab Emirates achieved universal primary education by 2004 and Saudi Arabia is making significant progress towards this goal. There is some progress towards gender equality, but this remains a key challenge in these countries (see below). As a positive example, ten years ago only Libya and Kuwait had signed the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Saudi Arabia, Bahrain and the UAE signed in 2000, 2002 and 2004, respectively. As in education, substantial progress has also been made in terms of health. Rates of infant and child mortality have fallen dramatically (by more than 80 percent) in all five countries over the past 35 years, reaching levels above those of middle-income countries. All countries have a low HIV prevalence and are taking steps to ensure that the spread of the virus contained. The seventh MDG, ensuring environmental sustainability,

remains a challenge in all five countries (see below). There has been greater progress on the final MDG: achieving global partnerships for development. The four Gulf States have made attempts to harness the potential benefits of globalization for national development. They have also made significant progress in achieving their aspirations of becoming fully integrated in the world economy and important actors in the areas of trade and financial services. Moreover, the government and people in all five countries have provided generous support for development in countries in need of assistance. Among UNDP's programme country partners, the Arab region NCCs are unique as major suppliers of international development and humanitarian assistance. Kuwait, along with Saudi Arabia and the UAE, provide substantial aid through bilateral channels as well as through national, regional and multilateral funds; humanitarian aid also comes from private and official sources.⁶ Most of the development aid and humanitarian assistance is channelled to

6 Obtaining detailed information on all these financial flows is difficult, partly because Arab institutional aid is directed through a multiplicity of channels, including bilateral official aid, aid from national aid funds, and aid from regional and multilateral lending institutions, not all of which are Arab (such as the Organization of Petroleum Exporting Countries, or OPEC, and the Islamic Development Bank). Finally, there are private non-governmental sources that channel substantial aid and humanitarian assistance.

Arab and Muslim countries. Libya also channels substantial aid, mostly to African countries, but little data is available. The emergence of Libya as a donor to Africa and the large increases in oil revenues in recent years in all Arab region NCCs suggest increased needs for programmatic assistance to a variety of regional, bilateral and private institutions providing aid and humanitarian assistance to developing countries.

All five countries have seen a significant evolution in the past ten years in terms of increased openness and participation in the political process. Elections were initiated in Bahrain at the parliamentary and municipal levels, for example. In Saudi Arabia, elections were also held at the municipal level and new consultative mechanisms were established for national dialogues. Women were allowed to vote and run for office in Bahrain, Kuwait and the UAE and assumed ministerial posts. The removal of all sanctions in Libya after more than a decade heralded the renewal of relations between Libya and the international community.

1.2.3 MAIN DEVELOPMENT CHALLENGES

Notwithstanding the notable progress in terms of human and economic development, all five countries face considerable challenges. These have been articulated in a variety of documents, including the National Development Plan of Saudi Arabia, annual programmes approved by the Kuwaiti Parliament, the Federal Development Strategy of the UAE, common country assessments for Bahrain and Libya, national human development reports and related documents in Bahrain, Kuwait, Libya, Saudi Arabia and the UAE, and in the *Arab Human Development Reports*.

The NCCs of the Arab region face many common challenges. Underlying them is the aspiration to deepen and strengthen their integration into the world economy and to find 'niches' of comparative advantage in which they can play a role that transcends their contributions to the energy sector and become important actors in such areas as trade, financial services, information and communications technologies, and tourism.

Among the more important challenges are:

- **Economic diversification:** The economies of these five countries are still over-reliant on oil in terms of economic activity, government revenue generation and export earnings. Recent increases in prices have only increased this reliance. In view of the limited supply of oil in the long term, the challenge for some time has been to diversify away from petroleum and related products. Diversification, together with social and political dialogue, is needed to reduce widespread inequalities among citizens of these countries.
- **Employment creation:** All five NCCs have a young national population that is growing, a large number and share of expatriate workers in the private sector, and stable public sectors with little room for expansion. Job creation for an expanding labour force has become the most pressing development challenge facing these economies. The rights of migrant workers raise sensitive social and human issues that need to be addressed. The challenge is to create an environment for sustainable employment opportunities for new entrants in the labour market, especially youth and women and, at the same time, to facilitate a gradual shift away from dependence on expatriate labour while addressing their concerns. Reform of the training and education systems to ensure that youth have the appropriate skills for employment in the private sector are related challenges. A strong role for the private sector is crucial for both employment creation and diversification.
- **Public administration and governance:** Related to the above is the challenge of strengthening and streamlining large public administrations while ensuring that employment opportunities exist outside government service. Further progress on governance reforms is desirable in the interest of co-opting disadvantaged segments of society into the political process as much as achieving the commitments to democratic governance envisaged in the Millennium Declaration.

The efficiency and effectiveness of public sector service delivery is an important concern for policy makers and has implications for important reforms in the future.

- **Gender equality:** Recent progress in this regard needs to be extended and deepened in the political, economic and social spheres, as outlined in the *Arab Human Development Report 2005*. Programmes to empower women are needed—for example, fostering employment opportunities especially at the managerial level and through ownership as well as providing greater access to knowledge through the Internet and other sources.
- **Protecting the environment:** All five countries face environmental challenges, the most critical of which is water. Rapid urbanization and development, especially along coastal regions, also pose environmental problems.

All of these challenges can be framed in terms of the need to increase national capacity to address them. The countries have the financial, natural and human resources to deal with the changing internal and external environment in which they find themselves. What are needed across the board are the appropriate institutional and individual capacities to address them in an effective and sustainable manner. This represents the overall challenge facing the Arab region NCCs.

1.3 OBJECTIVES AND SCOPE OF THIS EVALUATION

The focus of this evaluation is very much on learning and the future. A key objective is to assess UNDP's activities and programmes in these net contributor countries in terms of national development challenges and aspirations; and to assess the implications of this experience for UNDP's corporate policies and practices relating to NCCs worldwide, now and in the future. UNDP is engaging with these countries in rapidly changing internal and external

environments. This means that it needs to reassess its role as a development partner as well as its potential contributions, strategies and business models in these countries so as to be relevant, efficient and effective. To this end, the evaluation aims to:

- Support the UNDP Administrator's substantive accountability to the Executive Board with respect to UNDP's policies and practices towards the NCCs in the Arab region.
- Provide an input into the review of UNDP's strategies and policies in the NCCs to enhance UNDP's relevance and effectiveness in meeting the particular development priorities of these countries.
- Provide stakeholders in the concerned countries (governments, civil society partners, etc.) with an assessment of various UNDP activities in the NCCs and how these might evolve in future.

This evaluation covers the period of the last two programming cycles⁷ for each country (approximately eight or nine years), as well as current cycles that have started recently. It covers the totality of UNDP's activities in those countries, whether carried out within or outside the context of the UNDP country programme, and includes advocacy, knowledge-sharing, partnership-building, resource mobilization and awareness-creation about UNDP's role and services. Since this is a forward-looking strategic evaluation, the main focus is on recommendations common to all five countries and that feed into corporate strategy and policy development.

The evaluation complements earlier examinations of NCC issues but adds a regional dimension. Most importantly, it includes national perspectives on these issues in addition to those of the UNDP and the United Nations family. Details of the methodology (including evaluation criteria and questions), data-collection methods used and process can be found in the terms of reference

7 Country cooperation frameworks, country programme outline or country programme document.

(Annex 1). Annex 2 lists documents reviewed and Annex 3 provides a list of persons consulted in the process of preparing this report.

It should be noted that examining country programme performance was made more difficult by the lack of comprehensive evaluative evidence in NCCs, since there are few thorough country programme reviews or project evaluations. The large number of projects over the time-span covered and the limited time in the field dictated a ‘top-down’ selective approach to the assessment of projects rather than an in-depth and comprehensive ‘bottom-up’ approach to the review of projects. The recent and ongoing nature of many projects also precluded addressing sustainability in a systematic and in-depth manner.

Further details on one of the key methods used to collect national perceptions—through National Stakeholder Perception Reports—are included in Annex 4. The following four areas were covered by the evaluation team, the first of which applies to corporate-level and the following three to country-level activities.

- **UNDP’s NCC policy and practices:** the specific policies related to NCCs and the corporate practices related to these countries. Are they appropriate?
- **Strategic positioning:** an analysis of how UNDP’s strategic positioning has contributed to meeting the development challenges of NCCs in the Arab region; and to identify and assess the business model used by UNDP in those countries. Is UNDP doing the right things?
- **Country programmes:** a review of the country programmes in terms of their effectiveness, sustainability, replicability and

UNDP’s value-added for the country. Is UNDP doing things the right way?

- **Efficiency of the country programmes:** key issues related to the efficiency of the country programmes and the major constraints in implementation. Is the country programme using its resources efficiently?

1.4 OUTLINE OF THE REPORT

Chapter 2 sets the policy context within which the evaluation is taking place and provides an overview of UNDP’s programmes in the region. The first part reviews the UN’s and UNDP’s presence in the region, followed by a review of the policy environment, which includes progress in UN reform and the organization’s strategic plan and, at the micro-level, UNDP’s policies and practices towards NCCs. A concluding section sets the context of UNDP’s programme presence in the NCCs of the Arab region, including the types of intervention, the funding amounts and the sources of funds.

Chapter 3 is the first of the analytical chapters, assessing UNDP’s contribution to national development results. It identifies selectively the contribution of key UNDP interventions to national development results and UNDP’s value-added in achieving those results. The focus is on how well UNDP’s programmes are being discharged. Chapter 4 examines the extent to which UNDP’s activities and programmes are strategically positioned to further the national development agenda of NCCs. Its focus is on whether UNDP’s activities and programmes are in the right areas. Finally, Chapter 5 covers various aspects of UNDP’s operational efficiency. Chapter 6 lays out the conclusions and recommendations of this report.

Chapter 2

THE UNITED NATIONS, UNDP AND THE NCCs OF THE ARAB REGION

2.1 UNITED NATIONS AND UNDP PRESENCE IN THE ARAB REGION NCCs

2.1.1 ENGAGEMENT WITH THE UN

All five NCCs of the Arab region are long-standing members of the United Nations: Saudi Arabia was a founding member, and the other four countries joined when they became independent. All have engaged with the United Nations and have been members of UN bodies, including the Security Council and, with the exception of Saudi Arabia, the Economic and

Social Council and other UN entities. In Libya, the UN mission was among the first field missions, dating back to the 1950s, with a major impact on the country's development. It should also be noted that the president of the 61st session of the General Assembly (2006) came from Bahrain.

A key feature of Arab region NCCs is the limited UN agency presence compared to most other UNDP programme countries. Moreover, many of the agencies that are present in these countries

Table 3. UN Agency Presence in the Arab Region NCCs

Country	Organizations dedicated solely to the country	Organizations with regional responsibilities, including host-country activities where applicable
Bahrain	UNDP	UN Environment Programme (UNEP), UN Information Centre (UNIC), World Meteorological Organization (WMO), UN Industrial Development Organization (UNIDO)
Kuwait	UNDP, UNHCR, International Labour Organization (ILO), International Organization for Migration (IOM)	
Libya	UNDP, Food and Agriculture Organization of the UN (FAO) (projects), UNHCR, World Health Organization (WHO)*	African Centre for Applied Research and Training in Social Development
Saudi Arabia	UNDP, FAO, WHO, World Bank	UNHCR, UN Children's Fund (UNICEF)
United Arab Emirates	UNDP, FAO, UN Office on Drugs and Crime (UNODC) (project), UN Development Fund for Women (UNIFEM) (project)	UNDSS, UNHCR, UNICEF, OCHA, Integrated Regional Information Networks (IRIN)/OCHA, UNOPS, UN University (UNU), World Food Programme (WFP)

*The Resident Coordinator in Libya exercises responsibility for both UNICEF and the UNIC.

Table 4. Countries/Territories in UNDP's Arab States Region by Income and Status

	NCCs	Crisis countries/territories	Other countries
Low-income		Somalia, Sudan	Yemen
Lower middle-income		Iraq, Occupied Palestinian Territories	Algeria, Djibouti, Egypt, Jordan, Morocco, Syria, Tunisia
Upper middle-income	Libya	Lebanon	
High-income	Bahrain, Kuwait, Saudi Arabia, United Arab Emirates		

Source: Income levels – World Bank, *World Development Report 2007* (income classification for fiscal year 2007). Categories: RBAS.

have regional responsibilities. With the exception of UNDP, few are dedicated solely to the country in which they are based (see Table 3). The United Arab Emirates is a special case. There, many of the agencies with regional responsibilities have no activities oriented towards the country itself, but are based in Dubai solely for the purpose of easy access to other parts of the region. In the UAE, UNDP lends official legitimacy (through its Standard Basic Agreement) and extends major logistical support to many of those agencies, including the Office for the Coordination of Humanitarian Affairs (OCHA), the UN Department of Safety and Security (UNDSS), the Office of the UN High Commissioner for Refugees (UNHCR), the UN Office for Project Services (UNOPS), and others. The UNDP country office also handles the increasing activities of UNDP in Qatar.

2.1.2 THE UNDP REGIONAL BUREAU FOR ARAB STATES

UNDP's Regional Bureau for Arab States (RBAS) serves as the headquarters for UNDP offices in 17 countries, with the 18th located in the Occupied Palestinian Territories. Table 4 shows that the majority of the countries and territories in the region (11) are classified as middle-income, with only three countries classified as low-income. In addition, five of the countries and territories are in crisis.

UNDP country offices receive policy and administrative support from the RBAS Country Operations Division, which ensures quality programming, results-based management applications and effective resource mobilization strategies. In each country office, the UNDP Resident Representative normally also serves as the Resident Coordinator of development activities for the United Nations system and is the designated official for security.

The Regional Programme Division supports the development and implementation of the RBAS regional programmes, the largest of which are the:⁸

- *Arab Human Development Reports*
- Centre for Arab Women Training and Research
- Programme on Governance in the Arab Region
- Information and Communications Technology for Development in the Arab Region
- HIV/AIDS Regional Programme in the Arab States.

UNDP country offices in the Arab States region receive additional technical support and policy assistance from the Subregional Resource

⁸ More details can be found in the Evaluation Inception Report.

Facility (SURF) for the Arab States, based in Beirut, Lebanon. The Regional Services Centre, based in New York, provides management advisory assistance.

2.2 THE UNDP POLICY ENVIRONMENT

2.2.1 PROGRESS IN UN REFORM

In the last ten years, numerous proposals have been made for UN reform. These have had significant implications for how the organization conducts its work, implements its mandates and manages the funds entrusted to it by Member States. A key element of the broad-reaching reform has been to explore how the United Nations system could work more coherently and effectively across the world in the areas of development, humanitarian assistance and the environment. The outcome document adopted by global leaders at the 2005 World Summit in New York called for much stronger system-wide coherence across the various development-related agencies, funds and programmes of the United Nations. In addition to supporting ongoing reforms aimed at building a more effective, coherent and better-performing UN country presence, it specifically invites the UN Secretary-General to “launch work to further strengthen the management and coordination of United Nations operational activities.” The outcome document also calls for such work to be focused on ensuring that the UN maximizes its contribution to achieving internationally agreed upon development goals, including the Millennium Development Goals, and includes proposals for “more tightly managed entities” in the field of the environment, humanitarian assistance and development.

The United Nations Development Group (UNDG), chaired by the UNDP Administrator, was established in 1997 as a managerial structure to bring together UN entities dealing with development issues. As such, it plays a pivotal role in implementing the reform agenda. Initially composed mainly of the funds and programmes

of the United Nations, UNDG members now number 28, and include some of the specialized agencies of the United Nations system. The Executive Committee of UNDG consists of UNDP, UNICEF, UNFPA and WFP. The UNDG is represented at the country level by the UN Country Team, led by the Resident Coordinator. UNDP is responsible for managing and funding the UN coordination function at the country level through the Resident Coordinator system.⁹ The reform process related to the UN development system has increased its pace, especially since the 2006 publication of the *Report of the Secretary-General’s High-Level Panel on UN System-Wide Coherence: ‘Delivering as One’*. The resulting ‘One UN’ pilot initiative will test how the UN family—with its many and diverse agencies—can deliver in a more coordinated way in eight selected countries. UNDP has a special role to play in implementing this reform, especially at the country level.

2.2.2 THE UNDP BUSINESS MODEL

UNDP’s business model is set out in a series of business plans issued by the UNDP Administrator as well as multi-year funding frameworks (MYFFs), which establish the organization’s strategic goals. These are designed to help focus the programme and improve communication with external stakeholders. The first MYFF (2000–2003) was intended to shift UNDP to results-based management and to answer some central questions to help monitor how well the organization is doing. These included: the extent to which UNDP has been successful, at the country level, in moving towards a strategic programme focus and positioning; the effectiveness with which UNDP has used advocacy, policy dialogue and country presence to support national policies; and the effectiveness with which UNDP has used partnerships to further development change. In addition, it set out some core goals that reflect the scope of UNDP’s interventions. Under the second MYFF (2004–2007), the focus areas under the goals were rationalized and simplified.

⁹ Details concerning the work of UNDG and UN coordination can be found at www.undg.org

Moreover, the MYFF identified a number of drivers of development effectiveness that were intended to ensure that the programme objectives were those set by countries themselves. Although UNDP's goals and approaches in the two MYFFs have changed in presentation, the underlying areas of work have remained almost the same. Box 2 illustrates the strategic goals and development drivers in the second MYFF.

The recently adopted UNDP Strategic Plan (2008–2011)¹⁰ notes that global development challenges, lessons learned and United Nations reforms directed by the General Assembly all point to the need to strengthen the UNDP business model. The model is built on the three pillars of coordination, advocacy and development services in support of countries' national development strategies. Strengthening UNDP activities in these areas in the NCCs is a special focus of this evaluation. Key features of the strengthened UNDP business model include the following:

- The services of UNDP remaining fully responsive to national priorities, recognizing the responsibility of government to coordinate assistance at the national level.
- Enhanced support for United Nations coordination and the role of the Resident Coordinator in terms of overall responsibility for and coordination of operational activities for development at the country level, and the subsequent recommendations of 59/250 to provide further support to the Resident Coordinator system.
- Use of the extensive partnerships of UNDP to scale up the scope and impact of its work in all areas. In addition to core partnerships with other UN organizations and governments, UNDP will pursue innovative strategic partnerships with civil society organizations and networks, as well as with the private sector. South-South cooperation will be an important element of corporate and country-level partnership strategies.
- Refined internal institutional arrangements of UNDP to bring corporate and regional policy and advisory support closer to where they are needed on the ground and to make those services more responsive to country programme needs. This will entail understanding the different contexts in which UNDP works and tailoring its services (advocacy, policy and advisory services and technical support) to the specific needs of programme countries.
- Effective knowledge management through the use of UNDP's global presence and knowledge and resource management systems. To deliver effectively on the agenda laid out in this plan, UNDP must: 1) further expand and improve its existing knowledge networks, 2) open the networks to other UN staff and help build open UN-wide knowledge networks, and 3) gradually open the networks to allow direct participation by external experts and institutions as well as civil society. Work has already begun in all three areas.

Box 2. Multi-Year Funding Framework 2004–2007: Strategic Goals and Drivers of Development

Strategic goals for MYFF 2004–2007

- Achieving the MDGs and reducing human poverty
- Fostering democratic governance
- Managing energy and environment for sustainable development
- Supporting crisis prevention and recovery
- Responding to HIV/AIDS

Drivers of development effectiveness

- Developing national capacities
- Enhancing national ownership
- Advocating and fostering an enabling policy environment
- Promoting gender equality
- Forging partnerships for results

¹⁰ Approved by the UNDP Executive Board in October 2007.

The strategic plan goes on to ‘chart the course’ for implementing the business model, identifying a number of core elements summarized below:

- In a world of expanding affluence and exploding inequality, ‘inclusive growth’ will serve as the connecting theme for UNDP work over the period 2008–2011.
- A concerted and collective focus on human development and the MDGs is crucial to long-term results.
- Global and collective advocacy efforts can help boost awareness—and indeed progress—in meeting development goals.
- The strategic plan lays out the UNDP shift in approach in its governance efforts, which will now be more aligned to serve the needs of the poor.
- Capacity development, as the overarching UNDP contribution, and the development effectiveness principles of national ownership, effective aid management and South-South cooperation will guide UNDP interventions.
- The promotion of gender equality—including the empowerment of women—is the key integrating dimension of the strategic plan.

2.2.3 UNDP’S NCC POLICIES AND PRACTICES

In its approach to and work in the NCCs, UNDP is guided by its general principles and a number of policies and practices specific to the NCCs:

- **UNDP principles:** UNDP operates within the context of a number of principles, two of which are important in its approach to NCCs. First, the principle of universality that applies to the overall UN development system and is meant to ensure that all eligible countries are able to participate in UN development programmes. Second, the principle of progressivity, which promotes greater resource allocation to low-income countries.

- **NCC threshold and no core funds:** All programme countries, including the NCCs, are required to prepare a country programme for approval by the UNDP Executive Board,¹¹ but NCCs receive no core funds from UNDP.
- **Available programming funds:** Even NCCs are eligible for support and resources beyond core TRAC funds. Such funds could come, for example, from regional programmes run by each UNDP regional bureau as well as Subregional Resource Facilities. Alternatively, all country offices have access to other sources of project funds, such as UNDP Thematic Trust Funds. Allocation of these funds, however, favours low-income countries. Finally, country offices have access to other modest funding sources from UNDP headquarters.
- **Financing the costs of the country office:** The principle of progressivity also applies to the government contribution to local office costs in programme countries. Office costs for NCCs are to be borne by their respective governments, with no contribution from UNDP. In addition to this government contribution, other sources of income support office costs, including 1) the overhead UNDP country offices charge for project management, and 2) country office cost-recovery for the services UNDP provides to other UN agencies.
- **Financing international positions and programme delivery:** The only contribution that UNDP will make to local office costs in an NCC is financing the Resident Representative or Resident Coordinator, and possibly the Deputy Resident Representative (through extra-budgetary resources). Financing the Resident Representative/Coordinator depends on the level of delivery of the country programme, currently set at a threshold of \$10 million per programming cycle or \$2.5 per year within a four-year programming cycle. Up until 2004, UNDP financed a Deputy Resident Representative if

11 When circumstances prevent the preparation or approval of a country programme, the UNDP Executive Board may authorize the Administrator to approve projects on a case-by-case basis. Such circumstances are normally a crisis situation.

delivery was more than \$16 million for the programming cycle or \$4 million per year. Since 2004, the decision to finance the Deputy Resident Representative is made at UNDP headquarters, on the basis of need.

2.3 UNDP COUNTRY PROGRAMMES IN THE ARAB REGION NCCs

2.3.1 GOALS

Table 5 summarizes the major goals of the first and second programming cycles of the five NCCs. Typically, each country programme had three broad goals with overlapping definitions. The picture that emerges is the importance of human resource development in all countries in both programming cycles, while differences remain with respect to the other goal. Various aspects of governance and globalization are prominent in the second programming cycle, reflecting the evolution of UNDP's mandate in these areas in 2004–2007. Environment, a continuing concern and area of emphasis for UNDP, is present as a major goal in three of the NCCs for each country programme. Neither combating HIV/AIDS—one of the five practice areas of the MYFF 2004–

2007—nor promoting gender equality, one of its cross-cutting themes, were included as goals in any of the country programmes of Arab region NCCs.

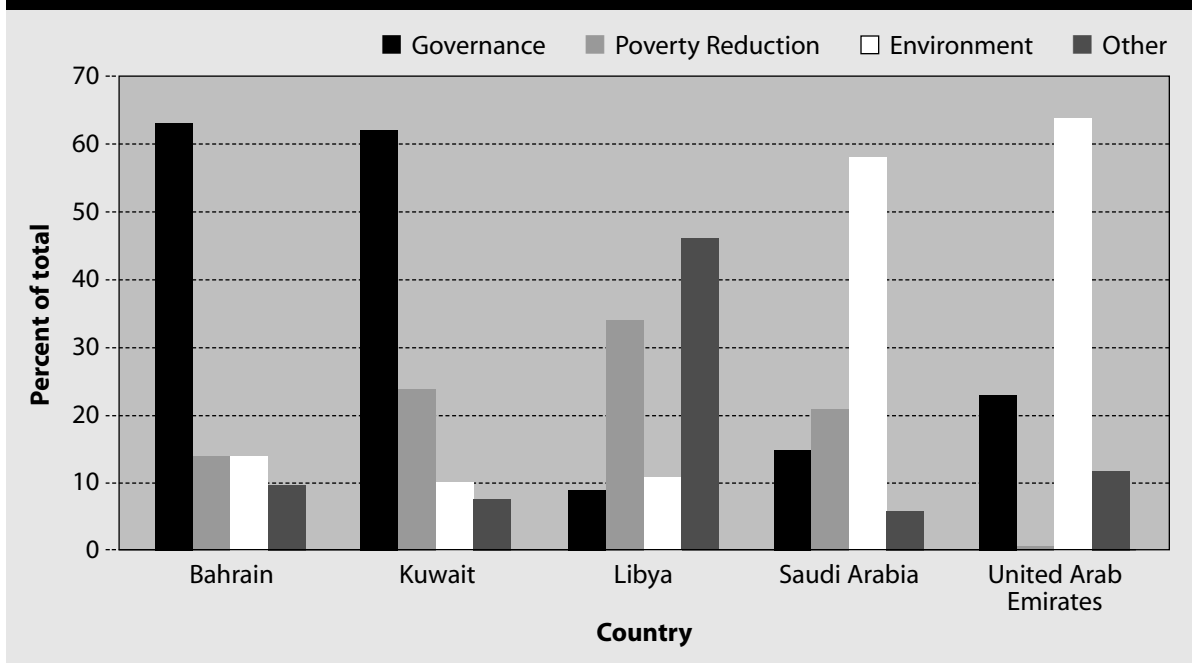
2.3.2 THEMATIC ALLOCATIONS

How were the broad goals outlined in Table 5 translated into budget allocations? Figure 1, compiled on the basis of the thematic classification of practice areas in MYFF 2004–2007, provides some answers. Many projects classified under poverty did not focus on poverty reduction in the traditional sense, but more on human development in a broader sense, covering, as many did, information and communications technologies for development, private sector development, education as well as gender mainstreaming. Governance includes both projects that foster democracy (parliamentary support, electoral systems, justice and human rights, for example) and other areas less directly linked to that goal (public administration reform and e-governance, for instance). The latter are more prominent in the country programmes of NCCs. Gender and democratic governance will be reviewed separately in the next two chapters, since these are so central to UNDP's mandate.

Table 5. Goals Examined in the First and Second Programming Cycles

Goals	First programming cycle	First programming cycle
Human resource development	Bahrain, Kuwait, Libya, Saudi Arabia, United Arab Emirates	Bahrain, Kuwait, Libya, Saudi Arabia, United Arab Emirates
Environment	Bahrain, Libya, Saudi Arabia	Bahrain, Saudi Arabia, United Arab Emirates
Public sector performance	Saudi Arabia	Saudi Arabia
Governance	United Arab Emirates	Bahrain, Kuwait, United Arab Emirates
Decentralization and local governance		Libya
Globalization and economic efficiency		Kuwait, Saudi Arabia, United Arab Emirates
Economic management and diversification	Bahrain, Libya	Libya, Saudi Arabia

Figure 1. Thematic Allocations in First and Second Programming Cycles in Arab Region NCCs (US\$ Millions)



Note: Figures for Saudi Arabia and the UAE represent only the last completed cycle.

Figure 1 invites several observations: First, governance is seen to account for high shares of the country programmes in both Bahrain and Kuwait, but relatively lower shares in the UAE, Saudi Arabia and, especially, in Libya. Second, and not surprisingly, the share of country programmes devoted to poverty reduction is low in all NCCs except Libya, where it includes large sector programmes in education, agriculture and industry, and in Kuwait, where it reflects globalization.

The category of ‘Other’ in Figure 1 refers to projects that are tangential to UNDP’s mandate and do not fit into the practice areas of the MYFF as assessed by the country offices and/or the evaluation team. These projects are typically few in number but large in amount. They can account for a sizable share of the budgets of country programmes: in Libya, for example, they accounted for 45–55 percent of the first programming cycle budget.

2.3.3 PROGRAMME LEVELS AND SOURCES OF FUNDS

Delivery in country programmes in Arab region NCCs ranged from \$1.5 million per year in Bahrain to over \$10 million in Saudi Arabia during the second programming cycle. The average level of \$4.3 million was considerably below the global average (of almost \$25 million) and the average for all countries in UNDP’s Regional Bureau for Arab States (\$19 million). As shown in Table 6, extra-budgetary resources from UNDP used to finance projects in the Arab region NCCs were significant. In 2005 and 2006, they averaged 9 percent of delivery in these countries, ranging from 2 percent for Kuwait to 12–13 percent for Bahrain and Saudi Arabia. Almost three quarters of these resources come from trust funds, with most of the balance accounted for by Resident Coordinator funds. The interest on unspent balances¹² provides another potential source of extra-budgetary resources in NCCs not reflected

¹² In Saudi Arabia, the interest on unspent balances held by UNDP accrue to the government, which, until recently, had not used this resource. These funds continued to grow, reaching more than \$3 million in 2007. That year, the Government of Saudi Arabia (Ministry of Foreign Affairs) used some of the money to finance a \$1.3 million junior professional officer (JPO) programme.

Table 6. Extra-Budgetary Resources (Total 2004–2006, US\$ Thousands)						
	Bahrain	Kuwait	Libya	Saudi Arabia	United Arab Emirates	Total NCCs
Extra-budgetary resources	569	228	509	3,973	500	5,779
Delivery 2004-2006	4,497	12,015	7,760	31,985	7,852	64,109
Total as percent of delivery	13%	2%	7%	12%	6%	9%

Source: UNDP ATLAS

in Table 6. Programme budgets, delivery and sources of funds are reviewed in detail in Chapter Five.

It should also be noted that, in terms of both delivery and staffing of country offices, Arab

region NCCs are lower than global and regional averages. Delivery in these countries amounted to only 20-25 percent of regional and global averages, and staffing represented only 30-35 percent of regional and global averages.

Chapter 3

CONTRIBUTION TO NATIONAL DEVELOPMENT RESULTS AND UNDP'S VALUE-ADDED

The first part of this chapter reviews the contribution of UNDP country programmes to national development results, in terms of their catalytic impact, leverage, support for policy generation, innovation and other attributes. These aspects are reviewed on a selective basis given the limitations in information and time allotted to this evaluation. The review is country-based, but singles out thematic areas that figure prominently in UNDP's mandate, namely, democratic governance, poverty reduction, gender equality and HIV/AIDS. A second part reviews five successful model projects, one in each NCC, illustrating the way in which project interventions can be meaningfully leveraged for wider national impact. The third part focuses on UNDP's contribution in terms of national development results, examining the nature of the value-added and UNDP's role as well as national perceptions of the extent of this contribution. The final part focuses, within the strictures of limited information, on the issues of effectiveness, sustainability and replicability.

3.1 CONTRIBUTION TO NATIONAL DEVELOPMENT RESULTS

3.1.1 BAHRAIN

In Bahrain, projects in the current and previous programming cycles contributed to the country's national development in a variety of areas:

- **Democratic governance and women's empowerment:** Recent projects responded to political changes in the areas of human rights and women, strengthening parliament and

its institutional capacity as well as supporting the Bahrain Institute for Political Development. This institution was created by the King in 2004 to support political reform and was placed outside government in order to be impartial. Especially noteworthy in the context of women's empowerment is the signature by representatives of UNDP and the Supreme Council for Women of the Action Plan for the Political Empowerment of Women project in mid-2005. The project supported women candidates in advance of the 2006 parliamentary and municipal elections.

- **Poverty and social development:** UNDP's engagement has been limited in this area, but includes both upstream efforts to assess Bahrain's social development programmes as well as downstream activities centred around improving access to micro-finance (see next section). UNDP undertook important work promoting greater understanding of and strategic response to HIV/AIDS, as part of the country programme and in parallel with the activities of the HIV/AIDS Regional Programme in the Arab States (HARPAS). In collaboration with WHO, UNFPA and the Joint UN Programme on HIV/AIDS (UNAIDS), UNDP provided support to national authorities, civil society organizations and the media in promoting AIDS awareness. Knowledge/attitudes/behaviour surveys of three high-risk target groups—youth, injecting drug users and pregnant women—were completed. These findings were translated into a comprehensive national HIV/AIDS strategy that is now being finalized. The

strategy will be the first of its kind in the Arab Gulf region. The country office is fully involved in the HARPAS programme with an annual meeting of the programme focal points from each country office. The annual work programme is reviewed by country office focal points and linkages between HARPAS and the national HIV/AIDS programmes assessed. One of the outcomes of the cooperation between HARPAS and the Bahrain country office was the recent workshop involving religious leaders, which took place in Bahrain on 22-24 April 2007.

- **Environment:** UNDP supported upstream activities aimed at developing a national environmental strategy and action plan. This participatory process involved a comprehensive study of the country's biodiversity and the initiation of a national desertification plan and strategy. Improvements in air pollution monitoring programmes were also carried out and environmental capability in using Geographic Information System technology enhanced.

3.1.2 KUWAIT

Some notable contributions of the more successful projects in Kuwait included:

- **Democratic governance and women's empowerment:** A programme to enhance political participation, with an emphasis on women, was initiated in May 2006 with a media campaign to raise awareness and support women's advancement in parliamentary elections the following month. The success of these activities put Kuwait (together with Bahrain) at the forefront of this issue, which is sensitive in the Gulf region. Various other initiatives also promoted women's empowerment. These included: symposia and presentations by the country office on gender mainstreaming and violence against women, directed at officials of the Ministry of Social Affairs, parliamentarians, women's societies and other groups; and the Centre for Arab Women Training and Research (CAWTAR), a regional initiative to build the

capacity of current and future women parliamentarians and community leaders. The centre was jointly supported by UNDP and UNIFEM, with help from UNDP's Subregional Resource Facility, and sponsored several capacity-building workshops in early 2006. Another highlight was a gender audit and strategy, financed by the Gender Trust Fund in Kuwait, and training in gender mainstreaming for the country office and the UN Country Team. The gender adviser at the Subregional Resource Facility took the initiative of promoting this programme and is facilitating its implementation.

- **Strengthening the planning mechanism:** A macro-econometric model developed in the Ministry of Planning was used to prepare and test the socioeconomic development plan for 2000-2005. A model was also developed to facilitate comparisons with other economies around the world and is now in use in the International Comparison Programme. Two reports on gender equality indicators have also been produced.
- **Strengthening public administration:** A Performance Measurement System was developed and all of the country's ministries were guided in its use through a specially developed website and training programmes. Key performance indicators were developed for six ministries in 2004. Efforts to replicate this experience in other ministries are ongoing. Financial audit manuals were also prepared for the State Audit Bureau to analyse investments in petroleum, high-tech acquisitions, contract claims and disputes. Staff received training in auditing and information technology needed to automate audit procedures.
- **Environment:** The discussion of the Kuwait Integrated Environment Information Network (see following section) best captures contributions in this area.
- **HIV/AIDS:** HARPAS is active in Kuwait and is responding to HIV/AIDS in the Arab region through a number of initiatives. These

include awareness-raising targeted to religious leaders, women, the media and the private sector. The country office focal point maintains contacts with relevant national organizations, including the Kuwait National High Committee to Combat HIV/AIDS.

In addition, global and regional reports on progress towards the Millennium Development Goals stimulated production of national reports for Kuwait in 2003 and 2005. Recommendations from the widely disseminated global and Arab *Human Development Reports* were discussed among local non-governmental organizations (NGOs) and officials from the Ministry of Social Development; NGOs were also invited to participate in the preparation of the common country assessment.

Finally, an interregional forum on the highly sensitive issues of employment and immigration is being planned. Other members of the Gulf Cooperation Council are expected to participate, eventually leading to a subregional programme.

3.1.3 LIBYA

UNDP programmes in Libya during the last two programming cycles were wide-ranging and contributed to a number of national development results.

- **Planning:** Though a series of projects starting in the 1970s, UNDP has assisted in the preparation of national development plans. These projects have provided technical support in specific areas identified by the government. Although recognized by the government as important, it is difficult to identify the significance of this contribution to either the development of an effective plan or, if implemented, progress towards national development goals.
- **Agriculture:** Two projects in particular, both of which were executed by FAO, were regarded as highly successful. These included a Mapping of Natural Resources project, which established a database used in planning agricultural and rural development, and a project called Strengthening National Capacities for Veterinary Services.

- **Education:** UNDP has supported a number of projects in this field, including those that were instrumental in developing curricula for vocational training and other specialized schools. These interventions helped to build capacity, transfer knowledge and contributed to the development of a new education system in Libya. According to the UN Educational, Scientific and Cultural Organization (UNESCO), Libya's experience sets a positive example for other countries.

The government's desire to normalize relations with the international community following the end of sanctions in 2003-2004 led to a number of new activities that have the potential to yield important results. It also allowed increased UNDP engagement in the areas of HIV/AIDS and gender issues. Most importantly, it opened the door to engagement in the area of democratic governance issues:

- **Judicial reform and human rights:** A Criminal Justice Project, financed by the country office, provided a forum in which various countries could exchange experiences on the issue of human rights. It also laid the foundation for a much larger project, signed in 2006, which aims to reform Libya's justice system. In addition, and with financing from the country office and bilateral donors, a Conference on Democracy and Human Rights was held in 2005, involving UNICEF, UNHCR and independent human rights experts.

3.1.4 SAUDI ARABIA

Examples of UNDP's contributions highlighted in the 2006 analytical review of the UNDP country programme in Saudi Arabia included the following:

- The most notable achievement, reported by the Ministry of Economy and Planning, was assistance in the formulation of the Eighth Development Plan for Saudi Arabia (2006-2010). Since 1970, these comprehensive development plans have played a crucial role in guiding the country's development towards clearly defined national goals. The eighth plan is especially important since it focuses

on reducing poverty, raising standards of living, improving the quality of life for all, enhancing the role of women and youth in national development, optimizing the benefits of globalization and enhancing partnerships for development, among other areas.

- A large number of mid-level managers participated in tailored training programmes to prepare them for in-depth training abroad on formulating policy based on solid data generation.
- Through technical cooperation with the National Commission for Wildlife Conservation and Development, the government was able to build national capacities to operate a network of wildlife reserves and parks. By the end of 2002, for instance, the Natural Resources Conservation Training Centre, established under this project, was able to train 240 female and male trainees from Saudi Arabia and a number of Arab countries.
- UNDP successfully built a partnership with the King Abdul Aziz City for Science and Technology, with the objective of empowering the energy sector in Saudi Arabia to meet rapidly growing demand through efficient and rational consumption patterns.

- In partnership with the Presidency of Meteorology and Environment, and with funding from the Global Environment Facility, UNDP helped to ensure that the first national communication on climate change was submitted to the United Nations Framework Convention on Climate Change.

In addition, a number of politically and socially sensitive activities were undertaken that deserve special mention:

- **HIV/AIDS:** Saudi Arabia is among the most conservative of the Arab region NCCs. Nevertheless, it made significant inroads in combating HIV/AIDS. Box 3, covering both HARPAS-sponsored as well as other activities, shows how the country office was able to promote knowledge-sharing, networking, advocacy and partnership development in this most sensitive area. NCC representatives attended several of these events and, in particular, religious leaders from all the Arab region NCCs attended the 2004 and 2006 meetings organized by HARPAS. As a result, the spread of HIV appears to be under control.¹³ A \$50,000 grant from UNDP financed a large number of small initiatives,

Box 3. Saudi Arabia: Progress in Combating HIV/AIDS

- November 2004: The first national workshop on HIV/AIDS was held in Saudi Arabia, on the topic of women and HIV/AIDS.
- December 2004: The UNDP country office attends the HARPAS Regional Colloquium for Religious Leaders on HIV/AIDS. A representative of the Ministry of Islamic Affairs in Saudi Arabia was also in attendance.
- December 2004: A national conference on women and the Millennium Development Goals was organized, focusing on gender issues.
- December to February 2005: A series of events were held, revolving around the Millennium Development Goals, youth and HIV/AIDS.
- June 2006: The first round-table discussion on HIV/AIDS in Saudi Arabia was organized.
- June 2006: HARPAS sponsors a meeting for HIV/AIDS focal points in Riyadh, Saudi Arabia, to discuss the country-level impact of the HIV/AIDS response.
- November 2006: HARPAS sponsors the Second Regional Religious Leaders Forum in Response to HIV/AIDS in the Arab States in Cairo. Saudi Arabia was well represented, with ten religious leaders participating.
- November 2006: Workshops on the role of the media in human development focused on six topics inspired by the MDGs, including the role of the media in combating HIV/AIDS.

13 Reported cases numbered 262 in 2004, representing an increase of 10 percent over 2003 (238 cases). Over the period 1984–2004, the cumulative number of cases reported among Saudis was 2,005 (2006 Saudi Arabia MDG Report).

carried out in partnership with the Ministry of Health, including workshops, awareness-raising among teenagers, and the production of information materials.

- **Gender:** A workshop on women and HIV/AIDS was held in 2006 with the participation of UNDP, UNAIDS and UNICEF. Presentations examined the human rights implications of HIV/AIDS for women and children, particularly girls.
- **Human Development Reports:** The Ministry of Economy and Planning produced the first national human development report for 2003. The report advocated measuring and monitoring human development from a perspective much broader than the traditional yardstick of gross domestic product. The *Arab Human Development Report* had a noticeable impact both within Saudi society as well as in the dialogue with UNDP on its human development agenda.¹⁴ In November 2006, the UNDP country office, in partnership with the Ministry of Information and Culture, held a high-level seminar with workshops on the role of media in human development and the MDGs. A workshop on women and the MDGs was also held in 2006.

3.1.5 UNITED ARAB EMIRATES

Results from some of the more successful projects in the UAE include the following:

- **Development strategies and plans:** The following key national and emirate-level policies, plans and strategies were prepared:
 - Dubai Strategic Plan (1996-2000)
 - Abu Dhabi Strategic Development

Programme (2000-2009)

- Ras Al Khaimah Development Vision (2000-2009)
 - National health policies and action plan
 - Health-care financing study for the emirate of Abu Dhabi
 - Agriculture policy analysis for the emirate of Abu Dhabi (which led to the preparation of a Strategic Framework on Agricultural Development by the Ministry of Agriculture and Fisheries)
 - Support to government institutions to formulate a federal e-government strategy
 - Technical support to the Abu Dhabi Department of Planning to conduct the emirate population census, and support for urban planning and management in Ras Al Khaimah.
- **Globalization:** Technical support and capacity-building were provided to facilitate entry of the UAE to the World Trade Organization, and to implement UAE's obligations in the world body. This support included studies and technical reports, workshops and seminars. UNDP emphasized capacity-development in information and communications technologies as part of this process.
 - **Environment:** The National Environmental Action Plan, approved in January 2002, was formulated through cooperation among UNDP, the UN Economic and Social Commission for Western Asia (ESCWA) and the Federal Environmental Agency. The plan is comprehensive, covering the availability of fresh water; air and water pollution; conservation of the marine environment;

¹⁴ Even though the NSPR showed that awareness of UNDP and its role in Saudi Arabia was limited, the *Arab Human Development Report* was well known. It generated different reactions among civil society participants in the NSPR. On the one hand there were those who deplored the fact that the report promotes Western values in Arab societies (for example, on gender-related issues); that it does not differentiate sufficiently between different living standards (in oil-rich and resource-poor countries, for example); and that it does not take into account external factors of poverty such as occupation in Iraq and the Palestinian territories. Others had a predominantly positive picture of the *Arab Human Development Report*, which raised critical issues the government could not ignore because of the authority of the UN(DP). Religious critics of the report were regarded with scepticism and even conservative members of the Majlis ash Shoura argued with the report for improvements in education. The accuracy of data was partly questioned because of the difficulty in obtaining it. The expertise of the writers of the *Arab Human Development Report* was questioned in terms of their familiarity with local conditions, and more local recruiting was recommended.

conservation of the urban environment; and land resources, degradation and biodiversity. Policy advice on water resources management was provided at the federal and emirate level by UNDP and ESCWA.

- **Gender:** UNDP helped develop the National Strategy for the Advancement of Women, which was approved at the highest level and is now being implemented; training was also offered for women starting their own enterprises. In partnership with the General Women's Union (GWU), UNIFEM organized a symposium called 'Enhancing the Role of Arab Women Parliamentarians in Public Life' in Abu Dhabi. Also in collaboration with GWU, UNIFEM is implementing a three-year regional project to facilitate empowerment of Arab women parliamentarians. The first project, on gender mainstreaming, was signed by UNDP, UAE, GWU and the British Embassy in 2006.
- **HIV/AIDS:** UNDP, UNICEF and WHO partnered with the Ministry of Health and the UAE Red Crescent Society to provide AIDS awareness-raising activities, including orientation sessions and training workshops for high school and university students and medical professionals.
- The first MDG Report for the UAE was produced in 2004. Senior members of civil

society suggested these reports could be used as a vehicle for engaging the central economic ministries in dialogues that could lead to and strengthen UNDP's involvement in some of its core competency areas. A second MDG report for the UAE was produced in 2007.

3.2 REVIEW OF FIVE MODEL PROJECTS

The five model projects reviewed below were selected for their innovation and catalytic impact. As their technical and geographic scope is deepened and extended, it is expected that their leverage will also increase. These projects include MicroStart in Bahrain; the Integrated Environment Information Network Project in Kuwait; the Rehabilitation of the Old Town of Ghadames in Libya; the Urban Observatory Network for Al-Madinah Al-Munawwarah Region in Saudi Arabia; and the Date Palm Research and Development Project in the UAE.

3.2.1 BAHRAIN: MICROSTART

An evaluation of this project in 2002 concluded that it "succeeded in its important objective of introducing microfinance to Bahrain by creating a sustainable credit delivery and management capacity in three national NGOs. A very strong foundation has been established upon which Bahrain can now expand the range and impact of microfinance on its unemployment situation and

Box 4. Bahrain: Key Results from the MicroStart Project (1997-2002)

- **Lending performance:** MicroStart's participating NGOs provided a total of over 5,000 small loans to over 3,000 beneficiaries. The total value of the loans is approximately \$1.8 million and growing.
- **Loan repayments:** Over 99 percent of all the funds loaned are on their prescribed schedule for repayment (or fully repaid).
- **Financial sustainability:** The NGO microfinance activities are financially sustainable. The amounts generated by the interest rates (or administrative charge under *murabaha* lending) are greater than the cost of staffing and administering the programme.
- **Impact on beneficiaries:** An impact survey of beneficiaries reported that most increased their revenue between 25 percent and 50 percent.
- **National impact:** The number of beneficiaries (3,000) is equal to about 30 percent of the number of people on social assistance rolls, or 20 percent of the estimated number of Bahraini unemployed.
- **Cost-effectiveness:** MicroStart proved to be a cost-effective means of assisting the needy as funds are rapidly repaid and rolled over to additional beneficiaries.

Source: MicroStart evaluation

social assistance programmes.” Policy makers interviewed for the National Stakeholder Perception Report (NSPR) cited the MicroStart project as one of the more successful projects (Box 4 shows some of the key results), though NGOs noted a number of shortcomings, including the lack of trainers, limited capital for financing and insufficient marketing due to the lack of marketing experts. The project supported poverty alleviation by empowering the poor. Moreover, it is potentially replicable, thereby successfully leveraging the relatively small amount of money invested in the initiative by the UN.

3.2.2 KUWAIT: INTEGRATED ENVIRONMENT INFORMATION NETWORK

This project provided both specialists and the public with access to updated and reliable demographic and environmental information, using the Geographic Information System (GIS), and is developing national institutional and technical capacities for using the GIS. Phase I of the project covered the marine and coastal environment; phase II included four main modules, relating to air, land, coastal zones and marine environments. An issues paper on national water security was prepared and funded under the umbrella project.

3.2.3 LIBYA: REHABILITATION OF THE OLD TOWN OF GHADAMES

The rehabilitation of the old town of Ghadames, located 650 kilometres southwest of Tripoli, is a \$3.7 million project completed in 2007 as part of the Tourism Master Plan. It grew out of a project in 1998-1999 to assist the General People's Committee for Tourism to prepare a development plan that assessed the potential for developing the old town as a tourist attraction. Water-use studies and a review of building styles followed as a basis for preparing a rehabilitation plan to restore the old city, which was endorsed by the General People's Committee in February 2000. Work began on restoring buildings that year, in addition to repairing selected streets, public places and mosques. The work was carried out by Libyans using traditional techniques and local materials, such as date palm branches and adobe

brick. The project also established sustainable water usage of the water channel system in the spring of the Ain-Al Faras oasis.

3.2.4 SAUDI ARABIA: URBAN OBSERVATORY NETWORK FOR AL-MADINAH AL-MUNAWWARAH REGION

In the context of a new, more participatory approach to development planning, emphasis has been placed on regional planning, with the need to localize MDG indicators for the 13 regions in Saudi Arabia. One of the best practices is a \$137,000 pilot project that established an Urban Observatory Network for Al-Madinah Al-Munawwarah Region. Over 107 urban development indicators have been produced, analysed and are being translated to on-the-ground projects in line with the eight MDGs. The project is now being replicated in Jeddah, and other municipalities have expressed interest. The World Bank has also taken an active interest in providing additional assistance. This project was deemed as among the most successful by both country office staff and government counterparts, who expressed a desire for additional capacity-building in future projects and more substantive involvement by UNDP.

3.2.5 UAE: DATE PALM RESEARCH AND DEVELOPMENT PROJECT

The first phase (2000-2004) of this programme was completed and evaluated as highly successful; the second phase (2004-2008) is now under way. The long-term goal is to build the capacity of UAE nationals working at the Date Palm Research and Development Unit of UAE University to produce high-quality date palms of the desired varieties that meet national requirements. The strength of this intervention is in effectively responding to the core development challenge facing UAE: economic diversification. The research and development unit has become the leading centre for date palm work in the country and has also established a prominent international profile. Future assistance could potentially lead to an International Date Palm Research and Development Centre. Box 5 summarizes the project's major achievements.

Box 5. UAE: Key Results from the Date Palm Research and Development Project, Phase I

Annual production of date palms increased from less than 8,000 tons in 1971 when the UAE was formed to 760,000 tons in 2003—an increase of 9,400 percent. The UAE now ranks seventh in the world in date production. The contribution of the first phase of the date palm project (2000-2004) to this result includes:

- **Strengthening tissue culture:** The major activity of the project has been strengthening production of the tissue culture laboratory. The laboratory received certification in 2002 from the International Organization for Standardization.
- **Introducing new varieties:** The project emphasized the introduction of varieties. At the outset there were two main varieties. The project focused on some 20 varieties identified by UAE authorities.
- **Capacity-building:** Nationals were trained in the United Kingdom to co-manage the Date Palm Research and Development Unit. Extensive in-service training for 48 staff was also carried out for laboratory and greenhouse staff, and a website and libraries established.
- **Environmental benefits:** These include better soil and water conservation, more shade for protection of plants, animals and humans and provision of natural materials.

Source: Evaluation of First Phase of the Date Palm Research and Development Project

3.3 THE NATURE OF UNDP'S CONTRIBUTION AND ITS VALUE-ADDED

The first two sections of this chapter provided an overview of some important contributions to national development results associated with UNDP projects. This section will elaborate on the nature of UNDP's role in bringing about those results. Before doing so, however, it is important to note the many reasons project partners are attracted to UNDP in the Arab region NCCs. These reasons reflect their assessments of UNDP's value-added. Respondents to the three National Stakeholder Perception Reports (NSPRs) carried out—in Bahrain, Kuwait and Saudi Arabia—and interviews held by evaluation team members in all five countries identified the following attributes:

- **Bearer of the UN flag.** UNDP is the embodiment of the UN and a conduit as well as a window to the UN system. This is a powerful rationale among senior political echelons in counterpart ministries (ministries of foreign affairs, in particular), as was emphasized in Bahrain but also pointed out in other Arab region NCCs. UNDP's country presence and interaction symbolize a spirit of national engagement with the human development principles and values of the UN.
- **Impartiality.** The fact that UNDP has no hidden agenda (unlike some bilateral aid

donors or private sector firms) make it a natural choice in many sensitive areas where advisory assistance is sought.

- **Wealth of global experience.** Officials in Bahrain and Saudi Arabia highlighted the fact that UNDP can assess and relate to national issues based on its experience worldwide. This two-way channel draws in global standards of excellence and yields valuable experience that builds upon and can potentially benefit other countries.
- **Access to the UN's specialized expertise.** Involving UNDP is an expedient and affordable way to access the services of UN specialized agencies that do not have a country presence.
- **Transparency.** All of the Arab region NCCs noted that the relative transparency of UNDP's operations (including compliance with international auditing standards, coupled with administrative and financial procedures that are sometimes more efficient than those of national development projects) make the organization an attractive partner.
- **Access to international experts.** UNDP's global network gives it access to technical expertise not available within countries. In the view of Saudi Arabia's Ministry of Foreign Affairs, Arab region NCCs will require such assistance for four or five decades to come to address issues they share in common.

- **UNDP imprimatur.** Having the seal of UNDP enhances the credibility and acceptability of a final product. For example, in a project involving Kuwait Airways, it was thought that UNDP's involvement would be a positive factor in getting the parliament to consider privatization of the company. In Bahrain, Ministry of Health officials noted that they had been trying to get a special unit for about 20 years, but only succeeded after a UNDP consultant recommended its introduction in a report.

Not all the reasons for engaging with UNDP were made in terms of its value-added. Some respondents said simply that there is a need to make use of existing agreements between UNDP and the government (as noted in the NSPRs in Bahrain and Saudi Arabia). More specifically, some government project partners see UNDP projects as sources of 'free' additional resources, for example, in Bahrain and Kuwait, where budgets for the UNDP programmes are centralized. This is also the case where the partner is guaranteed multi-year funding (as is sometimes the case in all Arab region NCCs).

3.3.1 CONCEPTUALIZING DIFFERENT TYPES OF ROLES PLAYED BY UNDP

The nature of UNDP's involvement can change, depending on the country and the initiative to be undertaken.

- **Process facilitation:** UNDP adds value in terms of process when it acts as a facilitator or medium for a UN agency or supplies goods or consultants faster than through government channels. This typically occurs in projects where UNDP plays mainly an administrative-financial role. It includes such aspects as speed; audits according to international standards; access to additional or 'free' budgetary resources to the beneficiary; continuity of budgetary resources for multi-year programmes, etc.
- **Technical and substantive support:** This is an enhanced role whereby UNDP is pro-actively providing technical expertise, usually to fill a capacity gap or to provide substantive inputs (this could mean, for example, drawing up lists of consultants and recommendations on the pros and cons of each candidate; contributing to the content of terms of reference; and reviewing studies from a purely technical perspective). In such a role, UNDP has a major influence on project design and implementation, with full technical input by UNDP in both respects (either individually or in partnership with other organizations).
- **Adding the UNDP dimensions:** The first two types of services could be provided by a variety of development organizations or private sector consulting companies or management firms that have access to global expertise. What makes UNDP different is its focus on human development as well as on a number of core approaches to its engagement with programme countries. These include supporting national ownership, capacity-development and gender equality and ensuring a coordinated approach. UNDP value-added relates specifically to these areas.

This last type of value-added is the most important and is what UNDP should attempt to maximize in its engagement with programme countries. In doing so, it can make the greatest contribution to national development results. This UNDP dimension is not restricted to UNDP's interventions in core areas, but can be added value when UNDP enters into partnerships with other organizations, including UN specialized agencies. In this way, UNDP can add value in areas (sectors and themes) outside its main practice areas.

3.3.2 STAKEHOLDER PERCEPTION OF UNDP'S VALUE-ADDED

Identifying the areas in which UNDP can maximize its value-added is also important because UNDP is not the only international development organization in the Arab region NCCs. A variety of groups are involved in

helping the NCCs meet their development needs. Although not systematically reviewed by the evaluation team, these include other international organizations such as the World Bank and the International Monetary Fund in all Arab region NCCs, including, most recently, Libya; bilateral donors (including, for example, the German Agency for International Cooperation and the Japan International Cooperation Agency), since some NCCs receive official development assistance;¹⁵ private sector firms;¹⁶ international civil society organizations¹⁷ and other UN agencies. In addition, other nations provide small-scale but important support through their embassies that is relevant to UNDP's human development agenda.¹⁸ In light of this plethora of actual and potential actors,¹⁹ the question arises as to why UNDP services are sought. There are two aspects to that question. The first is what motivates existing and potential beneficiaries to approach UNDP. The second relates to the experience of participants in UNDP's projects: To what extent were their expectations met?

As a prelude to answering these questions, it should be noted that in all Arab region NCCs, beneficiary agencies normally initiate project requests. This is mandated in Saudi Arabia by the Ministry of Foreign Affairs and occurs in other NCCs as a general rule, as reflected in the three NSPRs²⁰ and the evaluation team's findings in Libya and the UAE. UNDP, however, is involved at all stages of project formulation and development. The evaluation team considers that

the demand-driven nature of the programme and total financial contribution by the government drives a stronger sense of national ownership of UNDP-supported projects among national partners in NCCs, compared to non-NCC countries. But there is also a higher risk that the diversity of demands from the government will lead UNDP to extend support in areas beyond its mandate. Even here, the differences may not be as stark as appears at first blush, since the same kinds of issues can arise in non-NCCs when government cost-sharing predominates (as in the some Latin American programme countries where government cost-sharing can exceed 90 percent of delivery).

What were the views of those involved in UNDP programmes in the three NSPRs in regards to UNDP's actual value-added? Different countries emphasized different aspects of what they perceived to be UNDP's contribution. Respondents to the **Bahrain** NSPR were the most positive, commending UNDP's value-added both with respect to process (speed, imprimatur, conduit to the outside world) and in providing good international technical support.

Respondents in **Saudi Arabia** were also generally positive, but more critical of UNDP's shortcomings. They commended the process role of UNDP, since its rules for the commitment of funds and engagement of experts are considerably more flexible than normal Saudi administrative procedures. But UNDP's technical role was

15 DAC countries have reported annual official development assistance to Bahrain from 1997 to 2004 of between \$1.1 million and \$1.65 million.

16 McKinsey is assisting the Bahrain Economic Development Board, chaired by the Crown Prince.

17 The International Center for Not-for-Profit Law, for example, held a workshop on Developing Civil Society Law in Bahrain (4-5 April 2007), with that country's Ministry of Social Development.

18 In Saudi Arabia, for example, Norway is engaging with the new Human Rights Association and is looking at supporting study tours, exchanges, lectures and other interventions. Austria has sent three Saudi delegations to Austria to look at education systems in 2007 and has also sponsored delegations from the Ministry of Justice. In Kuwait, the Dutch Embassy is involved in financing and participating in the Interregional Forum for Expatriate Labour for Development of Mutual Rights. In Libya, bilateral local sources financed and participated in the Conference of Democracy and Human Rights.

19 Until the lifting of sanctions in 2003-2004, Libya had few alternatives to accessing international expertise, but the situation in Libya now mirrors that of other NCCs in the region.

20 This is the view of country office staff in all the NCCs studied except Bahrain, who, contrary to the responses of beneficiaries in the NSPR, believe they initiate the vast majority of projects. Clearly this is a 'grey area' where different perceptions may not be unusual or even a cause for concern. What is important is that national partners believe they have ownership of project identification.

perceived to be weak, with insufficient attention paid to the selection of consultants and the quality of their work. The *curriculum vitae* database of UNDP was perceived as less comprehensive than those of other international consultancy service providers, who reacted much more quickly than UNDP to government requests. The UNDP was seen to intervene too little in project design and implementation and was mostly perceived as an ‘accountant’ or ‘post office’ to the UN system.

In **Kuwait**, the NSPR concluded that “UNDP is perceived to be relatively strong on design, planning and strategy, but relatively weak on implementation.” The latter assessment is ascribed to a variety of factors, including insufficient coordination, frequent changes of leadership, insufficient technical skills and limited communication with stakeholders.

While no NSPR was conducted in Libya, the Planning Ministry, reflecting the views of implementing ministries and project managers, requested a more pro-active involvement by UNDP in the content of projects. The need to have substantive progress reports and regular evaluations from which lessons for new projects could be drawn was stressed. These points were also stressed to the evaluation team in the central ministries in Bahrain, Kuwait and Saudi Arabia. Furthermore, the Ministry of Foreign Affairs in Saudi Arabia and the Ministry of Planning in Libya emphasized the need for UNDP to define more explicitly the services it can provide and where its relative advantage lies.

It is interesting that national stakeholders interviewed focused mainly on process and technical types of value, together with a number of political issues (which could also be considered a type of development value-added in a wide sense). The overall assessment of UNDP’s contribution by the evaluation team is more positive than the NSPRs, especially in Kuwait and Saudi Arabia. This is partly because it was able to review points not covered in the NSPRs and partly because it had more in-depth interactions, especially with the main counterparts of UNDP in the central ministries. There are many examples of UNDP’s

substantive contribution to projects in Saudi Arabia, in particular the Al-Madinah Urban Observatory, where UNDP focused the project on the MDGs, the Environmental Strategic Plan for Jeddah and others. UNDP’s advocacy injected the MDGs into the National Development Plan and was used in the King’s address to the Consultative Assembly. This value-added occurred in UNDP’s areas of core competency—the MDGs, poverty, governance and environment. Notwithstanding such contributions, the evaluation team shares a major finding that comes out of the three NSPRs—namely that UNDP’s substantive contributions were too limited—and endorses the strong entreaties by all the central ministries and many beneficiaries that UNDP’s role in this respect needs to be significantly enhanced.

3.4 EFFECTIVENESS, SUSTAINABILITY AND REPLICABILITY

3.4.1 EFFECTIVENESS

While clearly there are examples of effective projects, self-assessment by UNDP country office staff indicated positive perceptions of the overall effectiveness of the project portfolios in their respective countries. In Kuwait and Saudi Arabia, the vast majority of recent projects (75-80 percent) were judged to have fully or mostly met their objectives; the minority were deemed to have only partially met them or not at all. In Libya, where UNDP programmes were wide-ranging and mostly sector-based (rather than thematic), projects by and large achieved their objectives, until very recently. But there were also sectors in which this was not the case (for example, in industry and tourism). In the UAE, most of the projects rated by country office staff were considered to have fully or mostly achieved their objectives.

3.4.2 SUSTAINABILITY

Sustainability involves a number of different factors, but institutional and financial sustainability are among the most important. There are many projects in the Arab region NCCs, such as those

described previously, which have proved to be or are likely to become sustainable. There are also examples of projects that were unsustainable, even though project objectives were met. One example, in Libya, was a project to build capacity in the Ministry of Planning. When the ministry moved from Sirte to Tripoli, many of the trained staff left, and there was a net loss as far as capacity was concerned. Sustainability was also impaired after the successful reform of Libya's education system because of a policy change that revamped the structure of secondary education. In the final analysis it is not possible to generalize about the extent of sustainability in Arab region NCC projects, both because many of the projects were relatively new and the dearth of evaluations.

One important aspect of sustainability is capacity-building, to which this evaluation gave special attention. Building capacity is very much a mantra of UNDP and an explicit objective of many, if not most, UNDP-supported projects. In Bahrain, the NSPR revealed that capacity-building was part of many of UNDP's activities; there was also a strong feeling among stakeholders that UNDP's projects are sustainable. But the perception in Bahrain was the exception: In all four other NCCs, capacity-building was seen to be weak or insufficient. This was reflected in the NSPRs in Kuwait and Saudi Arabia.²¹ In Libya, there was a prevalent and strong feeling among policy makers as well as project managers that capacity-building is an area that requires significant strengthening. This was one of the more important points emphasized by Libya's Under-Secretary of Planning, who said there was a need to move from "importing experts to localizing them."

The evaluation team also made an assessment of capacity-building in its field work and found the implementation record to be uneven. The most visible deficiency in this respect was the lack of

inclusion of specific capacity-development strategies and concrete steps in the project formulation. Other reasons for shortfalls included experts that were too busy or not motivated "to work themselves out of a job." Whatever the record, this is an area that merits the greatest attention and can be improved. This was the unanimous view of NSPR respondents and the Ministry of Planning in Libya, which the evaluation team strongly endorses. Tighter planning for capacity-building combined with regular monitoring and supervision of progress by the implementing agency and UNDP are warranted.

3.4.3 REPLICABILITY

Replicability can be an important demonstration of a project's larger impact on development. Pilot projects that are specifically designed to be tested and, when successful, applied on a wider scale have not been part of country programmes in Arab region NCCs. However, there are important examples of replicability in the region, though these have occurred rarely and on an *ad hoc* basis. The most prominent examples are seen in the areas of public administration-budgeting and urban development. In the former are interventions in e-governance in Saudi Arabia, where replication has great potential but explicit recognition of the intervention as a pilot, integrated evaluation are not in place. Nonetheless, there has been replication, as in the case of a prize-winning information technology project with Saudi Arabia's Ministry of Foreign Affairs, which is being extended to other government departments and shows potential for even further extension. A UNDP-supported regional programme, Information and Communications Technology for Development in the Arab Region, supported the creation of Bahrain's e-voting system. It also forged an agreement with the Central Informatics Organization of the

21 A situation highlighted in Saudi Arabia's NSPR concerning the Ministry of Planning is not atypical of the reasons for limited capacity-building in other ministries and NCCs. Some consultants in a UNDP-supported planning project were in place for more than 20 years, with little capacity-building among national staff. It was also suggested that the quality of staff in some line ministries makes capacity-building difficult. Among the reasons for insufficient capacity is lack of training and low salaries for the Saudi workforce, which makes it difficult to retain young professionals.

Kingdom of Bahrain to support the customization and replication of the system in other countries in the Arab region.²² In Kuwait, the Performance Measurement System, which developed indicators for six ministries in 2004, is being extended to other ministries. Examples in the urban sector include the highly successful Rehabilitation of the Old Town of Ghadames project in Libya, which is a scaling up of an earlier project related to the Tourism Master Plan. In Saudi Arabia, the Al-Madinah Urban Observatory is being replicated in Jeddah and other municipalities have expressed interest.

That said, replication is the exception rather than the rule in NCC programmes in the Arab region.

Given UNDP's catalytic nature, replicability could be an important criterion for selecting development projects. In addition, there is a great deal of potential for building replicability into the design of many projects (particularly those involving public administration and information and communications technology) and using the conduit of regional programmes for replication region-wide. Systematic approaches in the design, implementation and evaluation of projects to build in replicability where appropriate could enhance considerably the development value of country programmes.

UNDP's contribution to national development results and value-added is summarized in Box 6.

Box 6. Contribution to National Development Results and UNDP's Value-Added: Summary of Key Findings

ON PROGRAMME PERFORMANCE

- **Effectiveness:** Most projects were seen as having achieved the majority of their objectives by the stakeholders as well as the country offices, contributing to national development results in a variety of thematic areas and sectors.
- **Sustainability:** There are several examples of sustainability, but it is difficult to assess across the board. Capacity-building has occurred, but not as much as programmed, expected or desired by local beneficiaries and the government.
- **Replicability:** In the few instances where replicability did occur, it was on an ad hoc basis. There is potential for replicating successful projects, especially in public administration and the urban sector.

ON UNDP'S VALUE-ADDED

- A variety of factors make UNDP an attractive partner compared to other sources of international expertise: the fact that it is a conduit and window to the UN; its access to international expertise; its transparency and impartiality; the UNDP imprimatur; its guaranteed multi-year funding and quicker administrative procedures; and, in Bahrain and Kuwait, the fact that it is a source of 'free' budgetary resources for beneficiaries.
- UNDP's value-added was often limited to a process role in a few projects that represented a sizable part of the programme. This was the case in Libya and the UAE and, to a lesser degree, in Bahrain and Kuwait. In the majority of projects, UNDP played a technical role. In fewer projects did UNDP play a role that allowed it to use an approach that supported its responsibility to promote human development.
- National counterparts expressed a strong and unanimous desire to the evaluation team to see UNDP play a much stronger substantive role in all its activities; this was also the case for respondents to the NSPRs. Nationals were generally not satisfied with the quality of consultants. Most NCC/Gulf Cooperation Council countries have access and resources to private sector consultancy services with whom UNDP needs to compete in terms of quality.

²² In this case, the UNDP country office had no knowledge of the regional programme intervention. This is an example of the lack of coordination between UNDP regional programmes and the country office.

Chapter 4

STRATEGIC POSITIONING OF UNDP COUNTRY PROGRAMMES

UNDP's strategic positioning in the NCCs is reviewed in this chapter in terms of 1) the *relevance* and *responsiveness* of its country programmes to national priorities as well as to UNDP's mandate; and 2) the *balance* between UNDP's involvement in the design and implementation of projects and its other activities. Among the latter, special attention is given to: 1) partnerships with different segments of civil society, the private sector or the UN system (which can also be pursued within as well as outside the context of projects in the country programme); 2) resource mobilization and the provision of programming assistance to aid institutions in developing countries; and 3) information programmes related to UNDP's role and services.

4.1 RELEVANCE OF COUNTRY PROGRAMMES

4.1.1 RELEVANCE TO NATIONAL DEVELOPMENT PRIORITIES

The goals of the last two programming cycles are closely aligned to the national development challenges summarized in Chapter 1. This is not surprising, since country programmes are developed in conjunction with and funded by the governments concerned.

The relevance of country programmes to a country's priorities is more difficult to assess. This also raises the question of relevance to whom. From the perspective of NCC governments, the projects are relevant since governments themselves approve individual project proposals. Moreover, these projects are largely initiated by government partners and presumably fill a need.

Notwithstanding the strong sense of ownership of UNDP projects by implementing partners and central ministries, the alignment of country programmes to national priorities can be strengthened by:

- Minimizing the inclusion of some questionable projects not obviously related to central national development priorities (a point that was noted by respondents to the NSPRs as well as country offices).
- Covering areas that are central national priorities—for example, poverty reduction in Saudi Arabia (as requested by the Ministry of Foreign Affairs and suggested by civil society participants in the NSPR)—while recognizing that there are limits to the number of areas in which UNDP can become involved.

In short: The alignment of UNDP country programmes is strong but can be improved. Given the dynamics of how projects are identified, this must be primarily a government responsibility, working together with civil society partners where appropriate. Strengthening the programming function should facilitate this; it is particularly important in the absence of clear articulation of national priorities, as is the case in most NCCs.

4.1.2 RELEVANCE TO UNDP'S MANDATE

UNDP-supported projects in the Arab region NCCs are relevant to the organization's mandate to varying degrees, but there are some notable exceptions. These projects are small in number but can represent a significant share of the budget and even more in terms of programme expenditures. On the other hand, much of the important work that is promoting human development stems

from engagement with civil society and is financed by a variety of UNDP sources, including trust funds, regional programmes and Resident Coordinator budgets.

It should also be noted that demand is not strong in all of UNDP's practice areas, such as those that directly affect the country's ability to achieve its commitments under the Millennium Declaration and, more specifically, the MDGs. The absence of programme goals relating to gender equality or HIV/AIDS, for example, reflects the fact that these are of moderate significance to the NCC governments rather than weaknesses in alignment per se.

4.2 RESPONSIVENESS TO NATIONAL PRIORITIES

UNDP's responsiveness or non-responsiveness to changes in national priorities is an important issue for NCCs, since the lack of core resources could have an impact on the ability to respond. Responsiveness is also affected by the ability of the country office to identify emerging opportunities and take subsequent action. In all five NCCs, UNDP responded quickly and well to emerging trends. Typically, this response was initiated by the use of UNDP funding. The country offices were able to identify emerging national trends and subsequent activities that were central to UNDP's mandate in virtually all Arab region NCCs.

One particularly illustrative example is from Bahrain. As described below, UNDP responded quickly to the changes in the political situation and progress towards greater democracy that began in 1999. The country cooperation framework (CCF) for 1998-2001, for example, was extended to 2002 specifically to "enable greater and fuller implementation of the CCF and timely preparation of the new CCF, given the new reforms being announced in the country."²³ The new country programme outline (2003-2007) reacted by

engaging on two fronts: women and human rights and, as a consequence, implemented a number of key projects:

- **Strengthening the Institution of the Shura Council & the Council of Representatives in Bahrain** was signed in early 2004 and aimed to support these newly created institutions. The project is financed by government cost-sharing (\$150,000) and the UNDP Democratic Governance Thematic Trust Fund (\$50,000).
- In mid-2005, representatives of UNDP and the Supreme Council for Women signed the **Action Plan for the Political Empowerment of Women** project, aimed at supporting women candidates in advance of the 2006 parliamentary and municipal elections. Other international organizations tried to support the election process, but were not allowed to interfere. UNDP managed to get approval for its intervention through the fact that Bahrain had ratified the Convention on the Elimination of All Forms of Discrimination against Women.
- An ongoing project to **Improve the Institutional Capacity of the Parliament**, which aims to provide newly elected members support to improve their skills and knowledge. In 2005, UNDP raised \$100,000 from its Thematic Trust Fund for Democratic Governance—which represents half the total budget.
- **Supporting Political Reform with the Bahrain Institute for Political Development** was signed in late 2006. The institute had been established by the government two years earlier to support its commitment to promote and accelerate political reform.

Projects financed by governments also showed some responsiveness to national priorities. For example, the inclusion of environment as a new goal in the second country programmes of

23 UNDP-Bahrain country programme outline (2003-2007).

Bahrain and the UAE and the increasing number of environmental projects in the second cycle in Kuwait and the current cycle in Libya reflect the increasing importance of this area among national priorities. In Libya as well, the second country programme became involved in decentralization and local governance in response to the government's comprehensive decentralization process—a trend that is being continued in the country programme document. Finally, in Saudi Arabia, the project to support municipal elections in 2004 is a good example of UNDP's quick response to evolving priorities.

4.3 STRATEGIC PARTNERSHIPS

The development of strategic partnerships has become a mainstream practice throughout UNDP's work at the corporate, regional and country level. UNDP is committed to promoting partnerships within the UN system and with state, civil society and private sector organizations to support country-led development efforts.

Private sector. Although the economies of the Arab region NCCs are dominated by state oil interests, the role of the private sector in the non-oil sector is extremely important, is growing and should continue to do so as diversification strategies bear results. The private sector has a very large role to play in addressing many of the

challenges identified earlier, including creating jobs and addressing environmental concerns. The private sector is also a channel through which some of the more sensitive challenges to achieving sustainable human development can be addressed, such as promoting the employment of women and their ownership and management of small- and medium-sized enterprises.

In the region, however, private-sector partnerships have been limited in all NCCs except Saudi Arabia, Bahrain and, to a lesser extent, UAE, where efforts have been made to promote corporate social responsibility.²⁴ The Bahrain country office and the UN Country Team convened a June 2007 meeting on the UN's Global Compact with that country's Chamber of Commerce, which hopes to establish a Global Compact chapter in early 2008. UNDP's Bureau for Resources and Strategic Partnerships provided support to the Saudi country office in its efforts to promote corporate social responsibility (see Box 7), but will only respond to demands at the country level. There has been no engagement with the UN Global Compact, even though many of Saudi Arabia's large international companies engaged in the oil sector in the region have already signed the compact.

Civil society. The context in which civil society organizations (CSOs) work varies from country

Box 7. UNDP and Corporate Social Responsibility in Saudi Arabia²⁵

In May 2006, the UNDP country office invited private sector companies in Saudi Arabia to a Corporate Social Responsibility Forum, the first of its kind among members of the Gulf Cooperation Council. The forum was opened by the Crown Prince and attracted some 250 participants. Its purpose was to raise awareness of the concept of corporate social responsibility and to showcase UNDP's practical experiences in the region, using the example of Egypt. In addition to promoting development through corporate social responsibility, the country office is also attempting to mobilize resources from the private sector for development activities. As an initial step, the country office introduced the 'Adopt a Project' concept on its website, which encourages potential partners to select and finance projects to which they have a particular affinity. This initiative has attracted two financing partners to date and, according to the country office, many more partners are willing to engage. One restriction on this process is the need for the financing partner to be a Saudi company, as is the case for all investments.

Source: Strategic Evaluation of the Role of UNDP in the NCCs of the Arab Region: Saudi Arabia Working Paper

²⁴ Developing partnerships with the private sector is different from supporting private sector development, for example, through microfinance schemes or supporting the development of a better policy environment for private sector development.

²⁵ It should be noted that, subsequent to the forum, the government has discouraged UNDP's partnership with the private sector.

to country. Bahrain, for example, has an active civil society and the number of CSOs is growing rapidly. Senior officials in the Ministry of Foreign Affairs suggested they would like to see “a healthy, vibrant civil society involved in UNDP projects.” In Libya, NGOs work under a small number of umbrella organizations close to the state. UNDP’s engagement with civil society is often through events aimed at advocacy and networking. Efforts have been made to strengthen CSOs through capacity-building and networking, most notably in Bahrain. There are also examples of implementation partnerships, such as the MicroStart project in Bahrain, support to early childhood learning in Kuwait, and engagement with the General Women’s Union in the UAE. Civil society participants in all three NSPRs suggested that UNDP needs to play a larger role in supporting civil society development. This view is shared by the evaluation team for all the Arab region NCCs and is also widely held among country office staff.

UNDP counterparts in the central ministries in Bahrain, Kuwait and Saudi Arabia²⁶ have called for more involvement of civil society in UNDP projects in principle. However, there appears to be some ambivalence about UNDP’s direct engagement with CSOs; there is less ambivalence about selected non-political CSOs working with UNDP as implementing partners. Direct partnership with CSOs also brings up the problem of financing. Since UNDP has no core resources for these countries, it has to rely on other sources of funding to undertake such activities. Governments may be willing to finance initiatives to strengthen CSOs, as in Bahrain, but competing priorities and interests often prevent this from happening. Renewed efforts to overcome these constraints are therefore warranted.

The media. The media has been an important partner for a number of the country offices, both in promoting the activities of UNDP and the UN

in general and in carrying out joint advocacy efforts. While it is clear that partnerships are being built, a clear message from the three NSPRs is that UNDP’s visibility is still quite limited (see section 4.5).

UN system. As noted earlier, features of Arab region NCCs are small UN Country Teams and few resident offices dedicated to the country (without regional responsibilities). None of the countries are working within a UN Development Assistance Framework. Nevertheless, there have been efforts to prepare common country assessments and UN Development Assistance Frameworks in the past and, in the case of Bahrain, the process is ongoing. Some country offices have hosting relationships, such as Libya, where UNICEF is ‘hosted’ by the UNDP country office. In many countries, the use of UN agency execution was the main way that UNDP worked with other agencies, though this modality is being replaced by national execution. Within this context, UN partnerships are likely to be limited. Nonetheless they do occur, in addressing HIV/AIDS, for example, and, more generally, in UN advocacy (UNDP partnered with the ILO for a proposed Kuwait Interregional Forum for Expatriate Labour, for example). It should be noted that a key issue related to partnerships with civil society and the private sector is the need to move towards broader partnerships with the UN system as a whole and not just UNDP.

Notwithstanding the relatively limited activities of the UN system in NCCs, a role remains for UNDP to work in partnership with UN agencies to ensure that the government has access to the best the UN can offer. The new UNDP Strategic Plan suggests strengthening existing partnership arrangements, reflected in Memoranda of Understanding with UN partners to ensure a practical division of labour and to create synergies. Different models of joint programming have yet to be tried. The UN Country Team in

²⁶ For example, the Deputy Minister of Foreign Affairs in Saudi Arabia called for UNDP to bring in elements of society other than government and form a committee with business, women, university professors, NGOs and government to interact with regularity.

Bahrain, for example, is actively examining possibilities for joint programmes among themselves and examining opportunities to increase the role of non-resident agencies.

NCC cluster. A final type of partnership is among country offices themselves. At present, such partnerships are either informal or limited to occasional meetings of Resident Representatives. Some cooperation does occur at the operational level (for example, staff exchanges between offices), but it is limited. This issue is discussed in more detail in the next chapter.

4.4 RESOURCE MOBILIZATION AND PARTNERSHIPS FOR DEVELOPMENT AND HUMANITARIAN AID

Country office involvement in raising resources for the UN system has been *ad hoc* and purely administrative, limited primarily to setting up meetings for visiting representatives of UN agencies when requested. The country office has also been used at the request of UNDP headquarters as a conduit for raising voluntary contributions to UNDP by the host governments. Voluntary contributions have totalled almost \$3 million a year in recent years, with contributions from Saudi Arabia (\$2 million), Kuwait (\$600,000), the UAE (\$324,000), and Bahrain (\$56,000).²⁷ The total voluntary contributions from Arab region NCCs exceed the cost of the five Resident Coordinators/Resident Representatives, who are estimated to cost the organization around \$200,000 a year each. The resource mobilization role of the country office for voluntary contributions is appropriate and has absorbed a minimal amount of time of the country office; there is no need to revisit this aspect in future.

Regarding UNDP's activities with aid institutions in NCCs, there are *ad hoc* instances where the country office was instrumental in raising resources that were channelled to developing countries. In

the UAE, resource mobilization from NGOs for other countries totalled \$16 million. The UAE country office has been successful in mobilizing resources for supporting tsunami recovery in Indonesia. In Kuwait, requests to national institutions to contribute to UN development and humanitarian efforts led the Kuwait Red Crescent to donate \$3 million to the UN resource mobilization campaign. And in Saudi Arabia, UNDP has been active and successful in raising resources for development assistance to other countries through national agencies. Approximately \$10 million was raised in 2006 with limited effort in terms of time spent (the majority directed to the Occupied Palestinian Territories). The Bahrain country office raised \$3 million for a UNDP/government project in the Philippines. UNDP Bahrain was also successful in raising more than 150 metric tons of in-kind contributions for Lebanon during the crisis of the summer of 2006. All these activities were undertaken on an *ad hoc* and reactive basis, since such activities are not viewed to be a central aspect of country office responsibilities.

The above efforts were limited to raising funds rather than supporting programming interventions in which UNDP services could be used to improve aid administration to other countries and foster cost-sharing with UNDP projects in other countries. There are potential institution-building possibilities for UNDP in this respect that need to be defined and explored. For example, since countries lend money for political reasons (to foster friendships and promote security), UNDP could help them channel aid towards achievement of the MDGs. Subsequently, UNDP could help them measure and advertise the results. This was the basis of the Memorandum of Understanding that UNDP signed with the African Development Bank in 2003. To exploit this potential, institutional relationships need to be built. So far, this has occurred in only one case in an Arab region NCC—namely the signing of a Memorandum of

27 Libya has contributed about \$90,000 per year to UNICEF in the last ten years.

Understanding between UNDP and the Islamic Development Bank in 2006 to “facilitate cooperation between the two parties in matters of common interest and to establish the arrangement for implementing the same.”²⁸

The potential for developing mutually beneficial relationships with a variety of regional, bilateral and private institutions in all the NCCs that are members of the Gulf Cooperation Council (GCC) may be significant, given the increases in various forms of assistance from these countries that are likely to result from rising oil prices. These countries have been involved with aid for a long time and, for the most part, have institutions with established policies and experience in that area. UNDP needs to explore the role it can play on a case-by-case basis. If there is sufficient interest from the parties concerned, UNDP involvement could result in considerable development value for both GCC and developing countries.

The situation in Libya is different from that of the Gulf State NCCs. Libya is an emerging donor whose government is keen to have the assistance of the international community, especially the UN system, to help streamline and rationalize its development aid. In this respect, Libya’s situation resembles more the ‘Korean model’ in which the Republic of Korea sought to obtain UNDP assistance to channel its aid to Africa. Four Memoranda of Understanding were recently signed in Libya between the Community of Sahel-Saharan States and FAO, UNESCO, the African Centre for Applied Research and Training in Social Development and WHO to obtain their assistance in special areas of expertise.²⁹ UNDP has not explored a potential role for itself to assist relevant institutions in their

efforts to streamline their aid to Africa, even though the UNDP country office has been fully aware of the possibilities. This is a major lost opportunity for UNDP that was recognized by the country office that sought headquarters support in this area; unfortunately, the requested assistance was not forthcoming.

4.5 AWARENESS OF UNDP AND KNOWLEDGE OF ITS ROLE AND SERVICES

The NSPRs in Saudi Arabia and Kuwait as well as in Bahrain found that awareness of UNDP outside a circle of government officials was surprisingly limited. Beyond awareness, knowledge of UNDP’s specific role is also important. The country offices make an attempt to distinguish between the political and developmental roles of the UN. But NSPR respondents (other than government officials) indicated that there is little understanding of that distinction and that UNDP is often confused with the political arm of the UN. In Libya, the Ministry of Planning noted the same confusion with respect to the imposition of sanctions. NSPR respondents (other than government officials) as well as the Ministry of Planning in Libya noted that there is a limited understanding (even among government officials and UNDP partners) about UNDP’s role and the role of its sister UN agencies as well as the specific services these organizations can offer. The majority of those who were aware of UNDP lacked a thorough knowledge of its mandate, mission, actual or potential activities or what kind of services it is best suited to provide. These consistent, pervasive and strong findings were corroborated by the evaluation team’s field work in the NCCs.

28 In late 2004, a senior mission from UNDP visited Saudi Arabia to hold talks with the Islamic Development Bank and the Arab Gulf Programme for United Nations Development Organizations (AGFUND) aimed at further strengthening collaboration. The mission included the Director of UNDP’s Regional Bureau for Europe and the Commonwealth of Independent States, the Deputy Director of the Bureau for Resources and Strategic Partnerships and the Deputy Director of the Regional Bureau for Arab States.

29 For example, with technical assistance from FAO, a broad range of projects are being developed in Africa in agribusiness and agro-pastoral domains under three programmes involving cotton; cereals, fruits and vegetables; and the promotion of agricultural exports.

This lack of knowledge about UNDP prevails despite efforts by several country offices to promote UNDP's image and advertise its services. It also has a bearing on UNDP's strategic positioning and the composition and effectiveness of its programmes. Saudi Arabia is the only country office that has specialized media staff; it also sponsored the most activities to raise awareness of UNDP. In addition to recruiting media specialists, the Saudi country office has also recruited two popular, high-profile Saudi personalities to serve as UNDP Goodwill Ambassadors and participate in UNDP events to create UN(DP) awareness. An example of the latter is an MDG Painting Competition (November 2006) among students in which girls were invited to create a painting

reflecting each Millennium Development Goal. Certificates and UNDP gift items were given to the winners. A soccer game in November 2006 aimed to raise young boys' awareness of the MDGs. While Bahrain has no dedicated communications staff, it has recently managed to develop good relations with local media and has had extensive coverage of its activities. In Libya, a football match between senior officials of the Libyan Olympic Committee and a team headed by the UN Resident Coordinator was organized in June 2004 to promote the MDGs.

Box 8 provides a summary of the evaluation team's finding regarding the strategic positioning of UNDP country programmes.

Box 8. Strategic Positioning of UNDP Country Programmes: Summary Of Key Findings

RELEVANCE AND RESPONSIVENESS

- **Relevance to national priorities:** Country programmes were largely relevant to beneficiaries' needs; with few exceptions, they were also closely aligned with national priorities.
- **Relevance to UNDP's mandate:** Country programmes were generally relevant to UNDP's mandate with the exception of a few large projects that could only be tangentially related to the practice areas under the multi-year funding framework for 2004-2007.
- Much of the important work of promoting human development in Arab region NCCs comes from projects financed by UNDP, especially those that involve civil society.
- **Responsiveness to national priorities:** UNDP responded quickly and well to emerging trends.

PARTNERSHIPS

- **Partnerships with civil society and the private sector** have not been broadly developed, though there are some good examples of success in both areas. These successes do not extend across all five countries, however.
- Governments have an ambivalent view about UNDP's direct engagement with civil society and the private sector.
- **UN system partnerships** are limited by the small UN presence in the Arab region NCCs; in the past they have been limited mostly to UN agency execution. Important UN partnerships have been developed to combat HIV/AIDS and for advocacy. Opportunities exist for greater joint efforts both with resident and non-resident agencies.
- **Partnerships with national and regional aid agencies and private groups** have not been pursued, and occur on an exceptional and *ad hoc* basis. In Libya, UNDP has not exploited a potential major role for assisting the Libyan authorities, especially through the Community of Sahel-Saharan States, to streamline aid to other developing countries, especially in Africa.

AWARENESS OF UNDP AND KNOWLEDGE OF ITS ROLE AND SERVICES

- Awareness and knowledge of UNDP's role as a development agency is limited outside of direct counterparts.
- Knowledge and understanding of the services UNDP and other UN agencies can provide is limited in the Arab region NCCs.
- Partnerships with the media have not been effective in promoting awareness of UNDP or the services it can offer.

DEVELOPMENT VALUE AND BALANCE OF UNDP'S ACTIVITIES

- Delivery levels are not a good measure of development value because 1) the relationship between project budgets and development value is tenuous; and 2) UNDP's role is not limited to delivery, but involves other important activities, such as advocacy, knowledge-sharing and partnership-building.
- UNDP spends relatively too much time on implementation and too little time on the activities not related to delivery.

IMPLEMENTATION OF THE COUNTRY PROGRAMMES

The efficiency with which UNDP programmes are implemented depends partly on issues involving the UNDP country offices as well as how programmes are administered and financed by the governments concerned. Following an overview of country programme budgets and delivery, this chapter looks at the management and administration of the programme. This is followed by a review of the operational efficiency of UNDP country offices. A concluding section deals with accountability and performance measurement.

5.1 MANAGEMENT OF COUNTRY PROGRAMMES

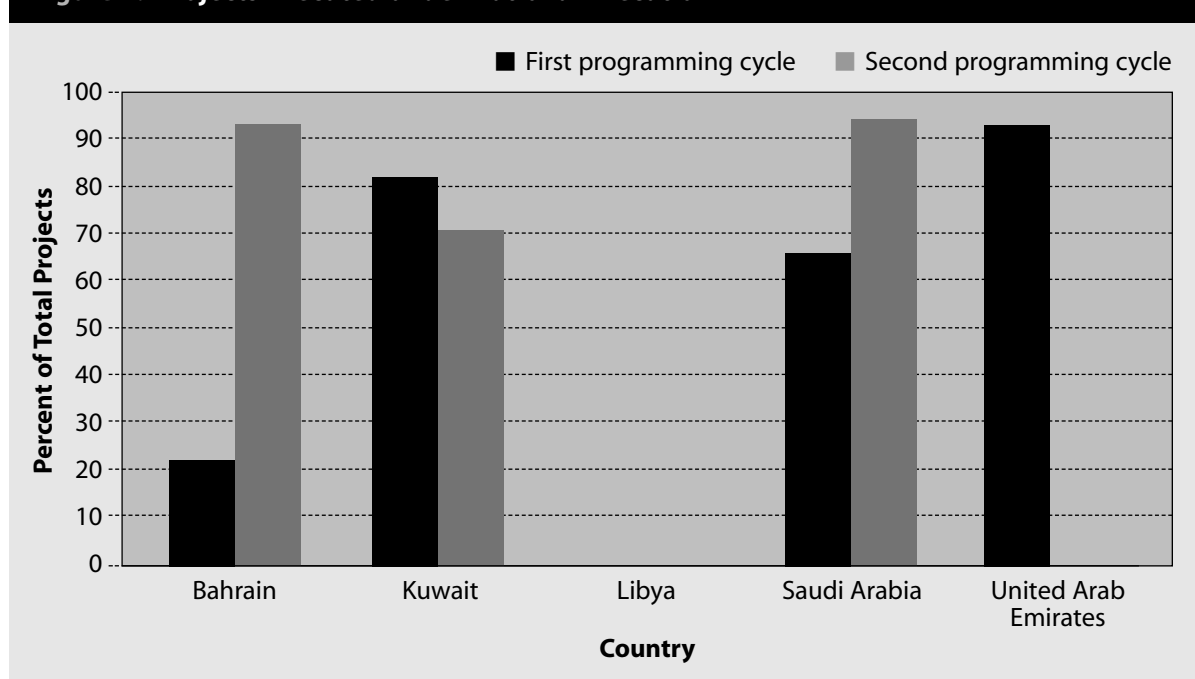
5.1.1 IMPLEMENTATION MODALITIES

National execution (NEX) has become the norm in all Arab region NCCs in the second programming

cycle, except in Libya, where none of the projects were implemented under this modality (see Figure 2). It was only in 2006, under the latest programming cycle, that six of the seven new projects in Libya were implemented under NEX. There has been a significant and sustained move away from agency execution towards NEX between the first and second programming cycles in Bahrain and Saudi Arabia. In Kuwait, there was some back-sliding, but close to three quarters of projects were executed under NEX in the second programming cycle.

While national execution has become the norm for all new projects in Arab region NCCs, its application differs considerably. In Bahrain, the country office is heavily involved in implementation on behalf of national project partners, while, in

Figure 2. Projects Executed under National Execution



Kuwait, country office involvement is far more limited. It is unclear how the NEX modality will be applied in Libya. In an NCC, the government not only pays project overhead of three percent, but also the full cost of the country office. For this reason, there is government expectation in some NCCs—as noted in the Bahrain and Saudi Arabia NSPRs—that UNDP should do much of the project management work.

5.1.2 COUNTRY PROGRAMME BUDGETS AND DELIVERY

Examination of budgets and delivery in the country programmes of all five NCCs in the last two programming cycles (as well as in 2005 and 2006) invites some interesting observations:

- UNDP has a policy of requiring a minimum delivery of \$10 million per programming cycle to justify a country presence. Yet several indicators suggest that this policy is not strictly adhered to. Saudi Arabia, with average annual deliveries of \$6 million–\$7 million, has been consistently well above the minimum threshold. The Kuwait country programme was probably below the benchmark in the first cycle, but was well above it in the second with annual levels above \$4 million. Delivery in Libya has been hovering very close to the minimum benchmark levels in the last two programming cycles. The Bahrain country programme, with a delivery of \$6 million in the first cycle and \$5 million in the first four years of the second cycle (2003 to 2006), was below the \$10 million benchmark. The pressure to raise and meet delivery levels is a major issue in Bahrain and Libya, but is also present to lesser degrees in other Arab region NCCs.
- As mentioned, the Bahrain country programme had indicative allocations and budgets below the benchmark. And though the country office gives emphasis in its discussions with government authorities on the importance of expanding the country programme, UNDP formally accepted levels below that threshold in the last cycle. In Libya, there is also an overriding emphasis on the importance of delivery. However, the evaluation team observes that, as a practical matter, compli-

ance to the principle of minimum threshold so far has not had any perceptible influence on maintaining a UNDP country presence in the NCCs in the Arab region. When country offices have been closed—in Qatar and Oman—this was for reasons unrelated to the size, composition or delivery levels of the country programmes.

In Bahrain, the implementation responsibilities of country office staff are time-consuming, and staff members believe they are far too involved in implementation. On the other hand, beneficiaries responding to the NSPR expected UNDP to undertake these tasks and consider them to be a UNDP obligation as part of the cost-sharing service fee. Such views were corroborated in interviews by the evaluation team. The pressure to meet delivery targets appears to be one reason UNDP has not questioned its role in implementation, since local capabilities for project implementation are weak. The country office informed the evaluation team that the procedures followed in Bahrain are allowed in the new UNDP Results Management Guide, but represent an usually heavy involvement in supporting implementation. How the national execution modality is implemented in Libya may also be influenced by the need to meet delivery levels. Meeting delivery targets is also a factor in country office involvement in project implementation in other NCCs in the Arab region, albeit a less important one.

5.1.3 COUNTRY PROGRAMME IMPLEMENTATION FRAMEWORK

The administration of the programme reviewed below involves not only issues of efficiency (timeliness, etc.) but also project selection, affecting the relevance and responsiveness of projects to national priorities reviewed in Chapter Four.

Table 7 summarizes the administration and financing mechanisms in the five NCCs. It shows differences between the countries that have a considerable impact on the selection of projects in terms of their alignment to national priorities as well as in the efficiency with which projects are implemented. In all NCCs, agreement on the country programme includes a government

Table 7. Selection and Administration of Projects in Arab Region NCCs

	Central ministry*		Administration and finance**	Monitoring and evaluation by UNDP
	Programming	Project approval***		
Bahrain	None	Yes	Tripartite†	Minimal
Kuwait	Yes	Yes	Tripartite†	None
Libya	Planned	Yes	Two parties‡	Requested
Saudi Arabia	None	Yes	Two parties‡	Requested and planned
United Arab Emirates	None	None	Two parties‡	None
Ideal approach	Yes	Yes	Two Parties‡	Yes

* Ministry of Finance, Planning or Foreign Affairs (Saudi Arabia)

** Mainly approval of contracts and expenditures

*** Signature of project document

† Central ministry, beneficiary and UNDP

‡ Beneficiary and UNDP

allocation for that cycle. But only in Kuwait is this followed by an annual allocation of funds in the budget of the Ministry of Planning. Central ministries approve projects in Bahrain, Kuwait, Libya (beginning in 2007) and Saudi Arabia, but not in the UAE. Approval of contracts and expenditures is also required from central ministries in Bahrain and Kuwait but not in the other countries. This will not be required in Libya under the system now being established. Finally, there is no regular mechanism for UNDP to report to the government on the progress of projects beyond their financial aspects or in evaluating them in any NCCs; the few UNDP country programme reviews and project evaluations that are undertaken are discussed with the concerned governments.

The above mechanisms have several implications:

- First, the lack of an annual programming mechanism within which projects are approved

makes the alignment to national priorities difficult. However, project approvals by central ministries (Bahrain, Kuwait, Libya and Saudi Arabia) can overcome this constraint with a strong programming mechanism.

- Second, when the UNDP programme is part of the budget of a central ministry, as in Bahrain and Kuwait and as is now proposed in Libya, a UNDP project from the point of view of the beneficiary government agency is a source of additional resources that are 'free'. In this framework, while the programme is 'demand-driven', it is not 'market driven'. Because the beneficiary does not pay for UNDP services (compared to using, say, a private firm) the demand favours UNDP projects.³⁰ This is not the case in Saudi Arabia or the UAE, where programmes are both demand-driven and market-driven.

30 This incentive structure also prevails in non-NCC countries where projects represent extra-budgetary resources for the recipient. In non-NCC countries, however, UNDP may have more influence in the formulation of the country programme and the design of projects because it, rather than a central ministry, is the ultimate financier. In conclusion, the modalities of implementation in the Bahrain and Kuwait programmes are comparable to non-NCC countries concerning the financial incentives for the recipient. But they are more onerous with respect to the procurement and disbursement aspects because of the involvement of a central ministry.

- Third, the involvement of a central ministry in approving contracts and expenditures after ‘signing-off’ on a project, as in Bahrain and Kuwait, makes implementation of UNDP projects more onerous than it needs to be, even though UNDP projects may still be simpler to administer than national development projects.

The compatibility of national execution with government requirements is an issue that was brought to the attention of the evaluation team in Bahrain and Kuwait. It may also become an issue in Libya once implementation under national execution is under way. National execution in Kuwait³¹ is guided by current country office ‘Guidelines’ (August 2002). Administrative and financial procedures underlying the UNDP country programme are not well understood by either the Technical Cooperation Unit of the Ministry of Planning or beneficiaries. As a result, there are issues of clarity and consistency with government financial requirements. Frequent changes in staff, both in UNDP and the Ministry of Planning have not helped, since NEX manuals were changed or re-interpreted. The manuals are now being revised to clearly spell out the

obligations and roles of all parties. Some training has been provided in Bahrain and will be provided in Kuwait once the revised Guidelines are issued. Training could considerably hasten implementation and is desirable, especially in Libya where the NEX modality has only been recently initiated. Regular training programmes for all counterparts are also desirable, at least in Bahrain, Kuwait and Libya.

5.2 UNDP’S OPERATIONAL EFFICIENCY

5.2.1 COUNTRY OFFICE FINANCES

The cash position of the UAE was affected by extraordinary costs in 2005. Despite the move of the country office and the change of rental payment in arrears to payment in advance, annual expenditures and income in 2006 returned to a balanced position. Table 8 shows an unusually low level of cost-recovery in Libya, compared to delivery levels in all other Arab region NCCs. In Libya, cost-recovery is only 0.23 percent of delivery, compared to 2-3 percent in other countries. It also shows that the UAE has an unusually high level of agency service reimbursement (increasing to \$77,415 in 2006) due largely to the influx of

Table 8. Country Office Finances (Annual Average 2004–2006, US\$)

	Bahrain	Kuwait	Libya	Saudi Arabia	United Arab Emirates
Annual government local office contribution	695,840	687,300	658,118	1,628,460	927,094
UNDP programme cost-recovery	33,722	76,497	6,007	159,401	81,175
Agency service reimbursement	8,617	13,553	8,419	10,502	48,811
Total income	738,179	777,350	672,544	1,798,363	1,057,080
Administrative expenditures	637,678	806,024	538,172	1,917,470	1,157,548
Income minus expenditures (+/-)	100,501	-28,674	134,372	-119,107	-100,468

31 The involvement of the country office in Kuwait under national execution is less extensive than that of Bahrain, where the country office normally prepares the progress reports of the implementing agencies.

UN agencies into Dubai and related activity in support of regional emergencies.

5.2.2 MANAGEMENT OF HUMAN RESOURCES

Several staffing issues were raised with respect to country offices in NCCs.³² One was the frequent rotation in Resident Coordinators/Resident Representatives, especially in Kuwait, which has had three country office heads since mid-2000, including the current one. This has negatively affected the continuity and consistency of the country programme—a weakness highlighted by respondents to the NSPR. Also of concern were Deputy Resident Representatives, for which new positions were approved and incumbents appointed in Kuwait (2006) and Libya (2007); a Deputy Resident Representative position was approved for the UAE in 2007. In all cases, Deputy Resident Representatives have

been given the primary responsibility for managing the country programmes. Bahrain, whose delivery levels and workload (number of ongoing projects) are lower than all other four NCCs (Table 9), is now the only country without a Deputy Resident Representative.

Table 9 also shows the number of staff involved in country programmes. Relating these to various measures of workload³³ reveals some interesting comparisons. Bahrain has the lowest number of projects per staff because of the unusually close involvement of the country office in implementation. It also has the lowest delivery per staff—\$185,000 or one half that of Libya and one quarter that of Kuwait. Conversely, Kuwait has a high workload (projects per staff) and the highest delivery per staff of any Arab region NCC, suggesting that an increase in staff may be justified—the more so if

Table 9. Staff Workloads

	Bahrain	Kuwait	Libya	Saudi Arabia	United Arab Emirates
Average annual delivery in second programming cycle	\$1,240,000	\$4,230,000	\$2,590,000	\$6,440,000	\$3,020,000
Number of ongoing projects	10	17	16	30	17
Number of programme staff *	5	4	5	8	4
Number of programme staff, including Deputy Resident Representatives and Resident Representatives**	5.5	5.5	7.5	9.5	5.5
Ratios					
Projects per programme staff	1.82	3.09	2.13	3.16	3.09
Delivery per programme staff	\$225,455	\$769,091	\$345,333	\$677,895	\$549,091
Government local office contribution (share of delivery)	56%	16%	25%	25%	31%
Government local office contribution per project (US\$)	69,584	40,429	41,132	54,282	54,535

* Programme analysts, associates and assistants. Excludes media specialists in Saudi Arabia.

** All countries except Bahrain have a Deputy Resident Representative. All of a deputy's time is assumed to be used for the country programme, unlike that of the Resident Coordinator/Resident Representative, who typically spends only half of his or her time on programming activities.

32 Details on the financing, staffing and organization of the country offices are contained in the respective country reports, together with pertinent country-specific analyses and recommendations.

33 Programme staff are also involved in activities not related to country programmes that are time consuming. The above analysis assumes that such activities absorb more or less an equivalent amount of time across country offices.

UNDP's activities under the 2007-2011 country programme document were to be expanded. High workloads lead staff to focus on what is urgent rather than what is important but time-consuming, such as building relationships and offering on-site assistance. The comparatively low level of the government's local office contribution in Kuwait (compared to the number of projects and delivery levels) suggests that an increase in this contribution to finance staff increases would also be warranted.

A self-assessment of actual and optimal time use was filled out by country office staff in Bahrain, Libya and Saudi Arabia. While this was an impressionistic rather than rigorous survey, its results were remarkably consistent. In all three country offices, staff were unanimous in believing that too much time was spent on implementation, which detracts from time available to engage in more upstream activities related to advocacy, regional programmes and resource mobilization for the country concerned and other countries. These findings also suggest that the staff from these country offices would generally welcome greater involvement in the substance of project work. This need for such substantive involvement was strongly expressed by government counterparts as well as the respondents to all three NSPRs. This assessment is shared by the evaluation team for all Arab region NCCs.

5.3 AVAILABILITY AND USE OF CORPORATE AND REGIONAL SUPPORT

To the country offices, the NCCs do not appear to be a priority for UNDP headquarters. No senior UNDP staff visited Saudi Arabia or Libya³⁴ in recent years, even though senior management from other UN agencies regularly visit all the NCCs in the region. Country office staff suggest there may be a misconception that these are rich

countries and therefore do not need UNDP support. Furthermore, the UNDP Regional Bureau for Arab States is preoccupied with crisis countries, such as the Iraq, Lebanon, Somalia and Sudan. Although clearly high-income, NCCs face specific challenges in terms of human development, including gender equality, care for the environment and democratic governance, which may not be top government priorities but nonetheless warrant UNDP's attention.

Subregional Resource Facility for the Arab States. UNDP's Subregional Resource Facility (SURF) for the Arab States, based in Beirut, has contributed to work carried out under UNDP trust funds, regional programmes and country programmes. Experience with the facility among NCCs is generally positive (though Bahrain and the UAE voiced some reservations about timeliness and the suitability of consultants for the countries). Gender and governance were two areas singled out where the quality of the expertise provided by the SURF was particularly effective. The facility also provided good support in the environment sector in Libya. Improvements in its services are nevertheless warranted and include the need to deepen its information base on consultants to cover their experience (for example, with a rating system) and to broaden the nationality base. The SURF portal was also found to be very useful. Although the resource facility is often the first port of call for consultants, there are other options, including UNDP's knowledge networks, UN agencies, personal contacts and Internet databases.

Regional programmes. The major regional programmes in the Arab States are the *Arab Human Development Reports*; Centre for Arab Women Training and Research (CAWTAR); Programme on Governance in the Arab Region (POGAR); Information and Communications Technology for Development in the Arab Region (ICTDAR); and the HIV/AIDS Regional Programme in the Arab States (HARPAS).

34 Specifically, no high-level visit to Libya by Regional Bureau for Arab States management occurred in the past four years in the tenure of the current Resident Coordinator/Resident Representative. The Africa Bureau was invited to send a mission to explore possibilities for aid coordination and assistance with institutions prepared to channel substantial amounts of aid to Africa, but the mission was never carried out.

All of these programmes provide important opportunities for advocacy in sensitive areas and for launching related national projects. But participation has been limited in all five NCCs, with the notable exception of HARPAS, in which all NCCs were actively involved. No projects fully funded by the governments (with the exception of one in Bahrain) deal with AIDS because of the extreme sensitivity of the subject in Arab culture. Nevertheless, UNDP was able to use the vehicle of the regional programme to open a dialogue that addressed the medical, statistical, public relations, social and religious dimensions of this topic in all the NCCs. This included Saudi Arabia, among the most conservative of the Arab region NCCs. Through the *Arab Human Development Reports*, UNDP strongly supports advocacy for the achievement of human development and the Millennium Development Goals. Production of global and regional *Human Development Reports*, in particular the 2004 *Arab Human Development Report*, offered an opportunity to disseminate the knowledge contained in them but also to produce a variety of national reports. The global and regional reports also generated a context for engaging UNDP in examining these issues, thus effectively furthering the human development agenda.

In the case of regional programmes other than HARPAS, country office involvement was either passive and limited or totally absent. This can be ascribed to a variety of factors. For example, some regional programmes are not seen by UNDP headquarters to be directly relevant to NCCs. Moreover, there is a tendency by headquarters to deal directly with the governments concerned rather than through the country office. Bahrain was formally involved in the other regional programmes in a passive and limited way; Kuwait and Libya had brief and passive involvements with CATWAR as did the UAE. Bahrain has been involved in ICTDAR and only the UAE and Bahrain were involved in POGAR.

There are several reasons for this limited participation. The country office is not involved in the

design of regional programmes, which therefore may not reflect the needs of NCCs. A common view among country office staff is that UNDP considers NCC participation in these programmes of low priority on account of their wealth and the limited resources of regional programmes. Also, governments are often not aware they exist and the country office plays a passive role in implementation. There have even been instances in which regional programmes planned in-country events without informing the local UNDP country office or the Resident Coordinator. Funding is also an issue since many organizations have liquidity problems that may prevent their participation. And governments are sometimes reluctant to fund participation of their nationals 'on principle', notwithstanding the small amounts involved. Finally, the support of the Subregional Resource Facility is critical and was important in the success of HARPAS. Regional programmes could be used to much greater effect to promote activities in sensitive areas. The highly successful experience with HARPAS, elaborated in Chapter 3, clearly shows there were significant lost opportunities as a result of the non- or limited involvement of NCCs in other regional programmes—especially in ICTDAR, since most NCCs had e-governance projects.

Subregional programmes. Different NCCs participate in regional and subregional events. But there is limited evidence of informal subregional programmes whose design and implementation is coordinated across the Gulf countries or with Libya in the same way as regional programmes. There is the potential for subregional cooperation in addressing interconnected issues (such as the environment) or common problems (such as stimulating employment creation through the private sector, adapting education to the needs of a global economy or promoting democratic governance and gender equality). But, in practice, this potential has not been realized, even though Resident Representatives in the Arab States region meet at least once a year and also within regional clusters. In addition, the country offices

of Bahrain, Kuwait, Saudi Arabia and the UAE (which are all member of the Gulf Cooperation Council) meet more regularly to discuss common issues and to identify opportunities for cooperation. (Libya is oriented more towards Africa than the Arab States of the Gulf). There is good coordination among the group, with country offices sending staff to other UNDP offices to conduct training or exchange experiences. There has also been replication of good ideas and interventions between the various country offices. Kuwait's adoption of the junior professional officer scheme, following the lead of Saudi Arabia, is one example. But all these interactions have yet to result in even informal subregional programmes, which would require close government coordination and funding.

Trust funds. All country offices have had access to UNDP's Thematic Trust Funds and have generally used this opportunity for accessing additional funds for innovative projects. Kuwait has been the exception, and the country office has not been able to access these resources. Of these funds, the Thematic Trust Fund for Democratic Governance has been most successfully used, followed by the Thematic Trust Fund for Gender. None of the Arab region NCCs implemented projects financed by the remaining trust funds (which finance energy, poverty reduction and information and communications technology projects).

5.4 ACCOUNTABILITY AND MEASUREMENT OF PERFORMANCE

The accountability framework in UNDP's results-based management system is not oriented to programme countries. The main accountability focus in the country is primarily financial: that is, with UNDP being accountable for the resources

it uses but not for project results. In NCCs, financial accountability as well as accountability for project effectiveness is particularly important since governments fund the programmes. The idea of 'mutual accountability' (donors being accountable to recipients and vice versa) is a cornerstone of the international community's Harmonization and Alignment Agenda and the Paris Declaration on Aid Effectiveness. A new UNDP evaluation policy requires all countries to attach an evaluation plan to the country programme document. However, in an NCC context, government endorsement of evaluations is necessary since it provides funding for them.

There are very few project evaluations in Bahrain (the country office provided three, which had been undertaken in the last ten years) and no outcome evaluations.³⁵ There have been only three project evaluations in Saudi Arabia³⁶ over the period being examined. And in Kuwait, Libya and the UAE, no evaluation plans were found in UNDP's Evaluation Resource Centre (<http://erc.undp.org/>); nor were any project evaluations found in any of the three countries except for the Date Palm Research and Development Project in the UAE. A number of people in UNDP and the governments interviewed noted that there is no culture of evaluation in the NCC governments. Government officials interviewed for the NSPR in Saudi Arabia noted that, for their projects, in no case was an independent third-party evaluation intended. Moreover, there was a clear wish for 'privacy' on the part of government institutions. Another contributing factor is the fact that evaluations are almost never included in project costs, and separate government approval is required to fund evaluations.

Country programme reviews (independent or semi-independent) are done more frequently, but

35 It should be noted that some Arab region NCC country offices are planning project and outcome evaluations in the near future, but at the time of writing there are very few completed.

36 One of the core functions of a newly established unit in the country office is to support performance measurement, results reporting and evaluation—although focus is on UNDP corporate mechanisms and on auditing rather than evaluation. As such, accountability is focused on UNDP and not government.

not systematically or always in a fashion that is timely enough to draw lessons for the next programming cycle. Two country programme reviews were done in Kuwait, Saudi Arabia and the UAE, only one in Bahrain (in 2000) and none in Libya. The quality of these reviews also varies considerably.

Strong requests were made by the central ministries of all NCCs visited by the evaluation team (except the UAE, which has a decentralized system) for UNDP to provide regular reports on project results, in addition to financial results, and to monitor and evaluate projects so that lessons could be drawn for future projects. This was particularly true in Saudi Arabia and Libya. In Saudi Arabia, the Ministry of Foreign Affairs requested an annual programme review to monitor progress and assess what can be learned

from ongoing projects. The UNDP country office has taken initial steps to develop a framework that would allow for such a review. In Libya, the Planning Ministry took a similarly strong view in the context of its new programming and monitoring role. These same points were made by the Ministry of Planning in Kuwait and the Ministry of Finance in Bahrain.

The UN, including UNDP, must remain transparent and accountable not only for the funds with which it is entrusted, but also for results achieved. However, there is no accountability framework that articulates the relative responsibilities of UNDP and the government in the context of an NCC. Is the accountability of UNDP different in the case of NCCs than in non-NCC countries since governments pay for UNDP services and may therefore be entitled to

Box 9. Implementation of UNDP Country Programmes: Summary Of Key Findings

DELIVERY

- UNDP's minimum benchmark policy is not strictly adhered to. Bahrain's delivery in both the cycles being examined was below the threshold. Even the delivery planned in the country programme was below the threshold. In Kuwait, it is also likely that the threshold was not met in the first programming cycle. No country offices were closed, however, because of shortfalls in delivery.
- The pressure to reach the minimum delivery threshold is one reason large projects that are not closely aligned to UNDP's mandate and national priorities were included in the country programmes of several NCCs. Without such projects, delivery in Libya and the UAE would have been below the benchmark.
- Meeting delivery targets encourages country office staff, especially in Bahrain, to be more involved in the administrative aspects of implementation than should be necessary under national execution or than they would like. Government counterparts expect UNDP to undertake this work as a quid pro quo for the cost-sharing fees they pay.

COUNTRY PROGRAMME IMPLEMENTATION FRAMEWORK

- The lack of annual programming mechanisms in all NCCs is not conducive to the selection of projects that are closely aligned to national priorities.
- Including UNDP-supported projects in the budgets of central ministries, as in Bahrain and Kuwait, provides a distorted incentive for the beneficiary to use UNDP projects.
- Central ministry approval of contracts and expenditures, in addition to project approval, as in Bahrain and Kuwait, makes implementation of UNDP-supported projects more onerous than it needs to be.
- There are problems with government understanding of national execution and insufficient training for all government counterparts, at least in Bahrain, Kuwait and Libya.

UNDP OPERATIONAL EFFICIENCY

- **Efficiency of UNDP:** The country offices are too heavily involved in implementation, primarily because of government perception that this is UNDP's responsibility, but also, in some countries, to meet delivery targets.
- **Support:** The Subregional Resource Facility for the Arab States provides adequate support in its practice areas. The quality of consultants is of key importance, particularly in NCCs where the government can afford to contract private sector organizations. Participation in regional programmes was limited mostly to HARPAS and could be strengthened.
- There is no framework that defines the mutual accountabilities of UNDP and the government or programmes to monitor the progress of project content. Evaluations have been very limited.

have more of a say in the type, frequency and content of reports from UNDP? For example, should the government or UNDP determine when evaluations are undertaken, covering which projects and by whom (UNDP or an independent contractor)? And who should manage these evaluations? There was a noticeable lack of clarity in answering such questions in all the NCCs. In the absence of general guidelines from UNDP headquarters on these issues, an understanding needs to be reached with the governments

concerned. Agreements are needed on standard reporting and evaluation requirements as well as providing timely financial reports. Common reporting formats, frequency and responsibilities all need to be agreed upon with the governments concerned within annual programmes. Progress needs to be reviewed and outstanding issues clarified, preferably on a quarterly basis.

Box 9 summarizes the findings related to the implementation of UNDP country programmes.

CONCLUSIONS AND RECOMMENDATIONS

UNDP's important contributions to the development challenges faced by Arab region NCCs have been described and analysed in this report. Based on the views of government counterparts, current and potential beneficiaries and respondents to the NSPRs, this evaluation sees a clear match between the emerging needs of Arab region NCCs and UNDP's mandate and capabilities.

6.1 MAIN CONCLUSIONS

The overarching conclusion of this report is as follows:

There is strong justification for continued and strengthened UNDP presence in the NCCs of the Arab region. All five countries strongly desire the presence of UNDP, which they see as the embodiment of the UN system and a window and conduit to the international arena. In fact, in the view of stakeholders, UNDP's country presence and value-added has more intrinsic worth than the contribution of its activities to the countries' development challenges.

More specific conclusions below elaborate how this presence can be strengthened.

1. In order to meet the expectations of the NCC partners in the Arab region, UNDP needs to change the way it does business. UNDP's reform process over the last decade—which has led to a new practice focus, greater emphasis on development effectiveness and national ownership and reliance on a corporate business model—has not been reflected sufficiently in the country programmes and country office cultures of Arab region NCCs. National ownership is a strong feature of these programmes, but it is

largely the result of government financing. Business as usual in an NCC context means accepting a situation that limits the potential to add significant development value to partner countries or to strongly promote the human development agenda. In the rapidly changing environment in which NCCs now find themselves, UNDP needs to respond to opportunities for more effective engagement, recognizing that business as usual could result in increased marginalization and reduced significance of its activities in terms of their human development objectives. This is especially true in the context of increased private sector competition in providing the kinds of technical assistance that UNDP is known for.

2. The special conditions prevailing in Arab region NCCs—namely the demand-driven nature of their programmes and a limited UN field presence—argue for greater flexibility of UNDP activities in these countries. The development challenges that NCCs face can be compared to those of middle-income countries that have not yet reached NCC status, or, indeed, to those of some less-developed countries. Poverty is less prevalent, but human development needs and some economic and social priorities are comparable. The different types of assistance that UNDP is asked to provide are also similar. For example, tackling gender issues may require more advocacy; reducing poverty may require more policy and advisory assistance; and addressing environmental issues may require more technical support. Thus, both the challenges and types of assistance required by the NCCs fit well within UNDP's core mandate and competencies as articulated in the latest UNDP Strategic Plan. At the same time, and due partly to the fact that

programmes are government funded and demand-driven, UNDP is frequently called upon to support or facilitate support in areas outside its mandate. This happens to a greater extent in NCCs than in other programme countries, even though the emphasis of the Strategic Plan is on focusing interventions in areas where the organization has a clear mandate and comparative advantage.

Another factor affecting UNDP's role in Arab region NCCs is the limited presence of UN agencies in these countries. UNDP has therefore become an important conduit for accessing the specialized expertise of sister agencies. It must be prepared to play the role of facilitator-manager with respect to the UN system as well as being a direct provider of technical inputs in its areas of core competency. It must also be prepared to respond to the demands of NCCs with a good deal of flexibility. That said, governments tend to have an unrealistic expectation of the role that UNDP can play in projects involving UN specialized agencies. Typically, they believe that UNDP can and should have more than a coordinator-cum-manager role in ensuring that needed technical inputs are forthcoming from the UN system.

Though UNDP should respond to the broad range of demands of national governments through partnerships with other UN agencies, it needs to keep two things in mind. First, its contribution in the partnership needs to go beyond simply facilitating and managing the intervention. It needs to ensure that the intervention incorporates adequate capacity-building and partnership development to maximize its contribution to human development. Second, in cases where UNDP undertakes an intervention that is not in partnership with other UN agencies (or other potential partners with the relevant expertise), it should ensure that this intervention is within its own areas of competence (identified not just globally but also at the country level).

3. UNDP has not sufficiently exploited the potential for greater partnership development to further the quality and depth of its interventions. The environment for developing partnerships is different in NCCs than other programme countries

in that there tends to be less competition from other donors and more from the private sector. In some Arab region NCCs, private-sector firms can be found offering upstream advisory services that UNDP needs to match in terms of quality and speed of engagement. There are also more opportunities for partnership with national and regional aid organizations in the NCCs of the Arab region. Finally, partnerships between UNDP and the UN system need to be developed in the context of the relatively limited UN presence and programmes in NCCs.

There is great potential for expanding various types of partnerships:

- Partnerships with civil society and the private sector alone can be useful, but, in certain circumstances, they can be made stronger if the government is also involved. Facilitating the access of civil society and the private sector to government is as important for promoting human development as UNDP developing bilateral partnerships by itself. Increased partnership with the private sector is important since the sector has an important role in addressing many of the development challenges faced by the NCCs, such as creating jobs and addressing environmental concerns.
- There is large untapped potential for UNDP in all Arab region NCCs, especially in Libya, to play a role in providing programmatic assistance to a variety of regional, bilateral and private institutions providing aid and humanitarian assistance to developing countries. Expanding such partnerships needs to be actively explored. At the same time, it is important that efforts to support such organizations be viewed as a means to providing effective aid and not as a means for resource mobilization for UNDP programmes in other countries.
- With respect to fostering partnerships with the UN system, several conclusions emerge:
 - Since the priority needs of governments go beyond the core practice areas of UNDP, UNDP has a role to play in

ensuring that the government has full access to the UN system in addressing these needs. The best modalities for doing so may differ among countries. In the larger programme countries (for example, Saudi Arabia) the workload may be sufficient for an appropriate agency to establish a presence in the country. In others (such as Bahrain), this may not be possible. In such circumstances, the UN Development Group suggests the promotion of hosting arrangements, as practised in Libya.

- There are also opportunities for joint programming (for example, with UNDP acting as an administrative agent). This is especially true in areas where UNDP addresses horizontal aspects of capacity-building (that is, those areas common to all government agencies that it can link to other efforts, such as e-governance, strategy development and planning), and the UN agency addresses the vertical issues that relate specifically to its technical skills and the technical needs of the government agency.
- Such coordination would be facilitated by a government allocation that would cover the costs not only of UNDP's share in the joint programme, but that of the UN agency. Such an allocation to the Resident Coordinator to cover UN interventions should be considered where appropriate and where strongly supported by the government. This may be done in parallel to direct UN agency allocations where the activities are large enough to warrant a separate programme and representation (such as the FAO in Saudi Arabia or Libya). If some sort of delivery threshold is retained, then the broader allocation suggested above (to other agencies involved in joint programmes or hosted by UNDP) should be used as an indicator rather than UNDP delivery alone.

4. Awareness of UNDP and knowledge about its role is only known in general terms. Nevertheless, there are high expectations as to

the extent and depth of UNDP's technical capabilities. Knowledge of the specific substantive contributions and the various services UNDP can provide is limited. Existing and potential stakeholders tend to have only a partial understanding of UNDP's relative advantage, which limits the organization in leveraging its full role. UNDP has not defined with its counterparts (central government and prospective beneficiaries) in sufficiently specific terms where its comparative advantage lies vis-à-vis the private sector and other UN agencies. The media can play a stronger role in fostering an awareness of UNDP and an understanding of its capabilities; the media can also be used to greater effect to foster partnerships with civil society and the private sector.

5. Some capacity-building has occurred. But to further UNDP's catalytic impact and leverage, more and better focus on capacity-building (and other aspects of sustainability as well as replicability) are paramount in all aspects of UNDP's country programmes. The record on capacity-building in all countries has been mixed. But all concerned—central ministries, beneficiaries and respondents to NSPRs—were unanimous in strongly urging a much strengthened UNDP role in this respect. While the need for greater capacity-building is universally recognized, realities on the ground during project execution often prevent it from happening. Typically, effective capacity-building becomes displaced by the pressures of 'doing' in response to beneficiary needs for quick results.

6. Better programming, implementation management and evaluation by UNDP in the specific context of NCCs can improve the efficiency of its country programmes. Chapter Four draws important conclusions that could increase the relevance of projects to national priorities as well as the efficiency of the country programmes through the following 'ideal system': 1) a central focal ministry needs to be involved in project approvals, reviewed in the context of an annual programme related to national priorities; 2) funds should preferably come from a central

source of the budgets of a beneficiary ministry or agency; and 3) implementation (contract approvals and authorization of expenditures) should be managed by the beneficiary agency and UNDP without involvement of a central ministry. The administration of the programme in Libya,³⁷ which is in a transition stage, could evolve into such an ideal system. The programmes for the UAE and Saudi Arabia would benefit from stronger central programming and project approval role on the part of central ministries, while those in Bahrain³⁸ and Kuwait would benefit by moving from a tripartite to a simplified dual modality in which contract and expenditure approvals are made solely by the beneficiary and UNDP. In all NCCs, UNDP needs to present regular progress reports on the content of projects to a central ministry and agree on an evaluation programme from which lessons can be drawn and applied to future projects.

All types of evaluations have been very limited in NCCs. In principle, UNDP should be held accountable by all programme country governments, whether they pay for the programme or not. But, in practice, the issue of financing evaluations is very important since governments with an ambivalent attitude may not be willing to fund these activities. Country offices now have to attach an evaluation plan to their new country programme documents, which begs the question of how these plans will be funded.

7. The majority of projects funded primarily from non-government sources (UNDP, Thematic Trust Funds, regional programmes, etc.) seemed to be highly successful in generating interest and furthering dialogue in sensitive areas. These important and low-cost activities were used to respond to emerging political and social developments in sensitive areas of UNDP's mandate, including gender equality, combating HIV/AIDS and the promotion of political

reform. In comparison with government-funded projects, they were used to good effect for upstream advocacy. They were also highly effective in achieving their results, partly because UNDP was able to make a substantive contribution. In this way, UNDP's value-added was maximized. Funds were fully disbursed on time, and these projects had a better record on both effectiveness and efficiency than the average project in country programmes. In short, they proved to be excellent instruments for promoting human development, albeit in a limited and *ad hoc* manner in view of the limited resources available for such activities and the governments' ambivalence towards funding such activities.

8. UNDP's policy of requiring a minimum delivery of \$10 million per programming cycle to justify a country presence is questionable and needs to be revisited in NCCs. This policy, which is not strictly adhered to, has encouraged the inclusion of large projects only tangentially related to national priorities in several NCCs. It has also encouraged some country offices to be more involved in implementation than is desirable. Delivery levels are not a good measure of potential development value because 1) the relationship between project amounts and development value is tenuous; and 2) UNDP is involved in important existing and potential activities that add development value without being included in delivery.

A move away from the current threshold can be expected to have some beneficial consequences, but it also entails some risks. In the short term: 1) it would lead to less pressure to include large projects not related to national priorities where UNDP's value-added is marginal at best; and 2) the country offices would be encouraged to resist the request of beneficiaries to be more involved in supervision of national execution than is the case in NEX in non-NCC countries.

37 For this to happen, the staffing of the Technical Cooperation Unit in the Ministry of Planning would have to be significantly strengthened and procedures that define the ministry's role in programming implemented.

38 The programming function in the Ministry of Finance in Bahrain would need to be strengthened, but with no change in responsibilities for project approvals.

Staff would thus be able to devote more time to activities that cost little—such as advocacy and partnership development. The net result of the above could well be a programme that has a higher development outcome, even if delivery levels are lower. In the longer term, the impact of UNDP's enhanced value-added that would result from UNDP doing what it does best should lead to an increased demand for UNDP services. This would increase both delivery levels and development impact.

9. The capabilities of country offices in NCCs are insufficient to respond to the broader and more substantive agenda advocated by this evaluation. Hence there is a strong need to augment the substantive and technical support from the regional centre and UNDP headquarters, and to draw from other modalities. While it is clear from the feedback received by the evaluation team that country offices have not been sufficiently involved in the substance of project work, it is not clear why this has been the case. Are resources being diverted towards implementation? Or, are there deficiencies in staff capabilities or training or in management style or systems? A diagnosis of the constraints was not made by the evaluation team.

There is a perception in country offices and the central ministries that NCCs are not given the same attention as other countries. And there appears to be a 'disconnect in spirit' between UNDP headquarters and the country offices of NCCs in terms of their integration into the new strategic and policy directions into which UNDP is moving. For example, at the strategic level, the Regional Bureau for Arab States has not explicitly dealt with such issues as to how the new corporate Strategic Plan applies to NCCs. At the operational level, the specific needs of NCCs in terms of regional programmes or technical support from the Subregional Resource Facility have not been sufficiently defined or accommodated. Nor are Arab region NCCs included in the resource mobilization programmes of UNDP's Bureau for Resources and Strategic Partnerships in the same manner as OECD donor countries.

6.2 RECOMMENDATIONS

The major recommendations of this evaluation are based on the overarching proposition, strongly articulated by all the Arab region NCCs, that UNDP can be an important player and useful partner in helping these countries address their development challenges. The recommendations below are grouped into four interdependent clusters. They list the major changes at the strategic, corporate, programmatic and organizational levels needed to strengthen the impact of UNDP's activities in helping these countries address their development challenges and engage with the international development community.

6.2.1 RECOMMENDATIONS AT THE STRATEGIC LEVEL

1. Promote a new relationship between UNDP and the Arab region NCCs at the corporate level. This relationship, which will require strong commitment on the part of UNDP headquarters, to should move away from the traditional development agency/client relationship to one of full and equal partnership at both the strategic/policy and programmatic levels. This partnership will be based on the principles of transparency, openness, mutual accountability and respect. Through consultation and dialogue it should redefine UNDP's role and strategy in the NCC context and develop a common understanding and set of approaches for technical cooperation.

The principles of partnership will recognize and be guided by the following

- The acceptance by UNDP that governments will only include in the country programmes activities that they believe are priorities for them. Government funding drives ownership, but demands from the national side need to be moderated and discussed openly to strive towards an optimal alignment. Governments are receptive to an open discussion of their priorities, and the alignment of country programmes to national priorities can be shaped through an open dialogue with UNDP.

- UNDP's mandate and national priorities are largely congruent. As a result, UNDP can more fully exploit its role in supporting the development of national capacity, brokering knowledge, and promoting South-South cooperation and the transfer of technology. UNDP's primary partners are national governments, but this partnership can be supplemented by working with and leveraging partnerships with other actors, in particular civil society and the private sector, not only in the implementation of key aspects of the country programmes but also, and importantly, in the formulation of these programmes.
- The match and balance between national priorities and UNDP's mandate needs to be assessed in a wider context, with a degree of flexibility that recognizes UNDP's strong role in NCCs as a window for accessing the diverse expertise in the UN system and also drawing on complementary inputs from its regional and global programmes. UNDP country offices should draw on complementary inputs from its regional and global programmes. The expertise (core competencies) and comparative advantage of UNDP lie in particular thematic areas where it can play a strong role in promoting human development and its core approaches such as national ownership, capacity development, knowledge transfer, gender equality and south-south cooperation. At the same time, it should stand ready to assist in its role as the gateway to the United Nations system—also seeking to add as much value as it can through the approaches listed above.
- UNDP's flexibility should apply not only to the identification of areas of UNDP engagement and the design of country programmes, but also in implementation—through greater adaptation to the national administrative processes of NCCs. Within a strengthened partnership, the principle of mutual accountability needs to be reinforced.

6.2.2 RECOMMENDATIONS AT THE CORPORATE LEVEL

2. Revisit UNDP's policy of requiring a minimum delivery threshold to justify a country office presence. In addition, develop specific guidelines on the application of existing UNDP policies to NCCs. The current minimum threshold for delivery that is applied equally to all countries should be replaced with country-specific qualitative criteria for justifying UNDP's presence. From 2010, most countries sending country programmes to the UNDP Executive Board will have programme documents accompanied by an *Assessment of Development Results* (ADR). This independent evaluation of UNDP's contribution to development in a particular country represents an appropriate tool for making a qualitative assessment of the viability of maintaining a country office. Criteria need to be drawn up to allow the ADR to make such a judgement and to identify the need to enter into discussion with the host country government on reform of the programme or other options, including closure of a country office or managing it from another country.

3. Develop guidelines in a number of areas that emanate from the demand-driven nature of NCC programmes. The evaluation identified a number of gaps in UNDP's policies and its guidelines for NCCs, which require special interpretation. Therefore, UNDP's future policy on middle-income and net-contributor countries should consider incorporating the following issues:

- The flexibility with which UNDP can engage in an environment where much of the demand from NCCs goes beyond UNDP's practice areas.
- The application of UN reform efforts to NCCs in a context where governments fund both the UNDP programme and those of specialized agencies.
- Accountability for monitoring and evaluation when these activities are funded by governments.

6.2.3 RECOMMENDATIONS AT THE PROGRAMMATIC LEVEL

4. Strengthen the relationship and interaction between the central services/regional bureaux at UNDP headquarters and country offices in NCCs in the Arab region. The objective would be to align activities of these offices more closely with UNDP's evolving strategies and policies and to be able to respond more forcefully to the special conditions they present. A closer dialogue should be encouraged between the Regional Bureau for Arab States and the NCC country offices, at which government attendance should be encouraged. Initially, such dialogues could be held through regular bi-annual meetings, at the minimum. As a first step, the Regional Bureau for Arab States should establish a subregional committee to redefine UNDP's role and partnership strategy in Arab region NCCs. The committee should seek to arrive at a common understanding of how activities in these countries should be approached, and include issues related to both programming and management. Moreover, if a new approach is to be adopted in the region, then the Regional Bureau will have to commit considerably more resources—financial and human—to the region in the short term to support the transition. The Regional Bureau for Arab States should also explore opportunities for further intra-NCC partnerships. These could include events addressing mutual concerns, the sharing of lessons, and products such as joint assessments related to common challenges (such as knowledge transfer and capacity-building).

5. Explore and develop partnerships with public and private aid agencies in Arab region NCCs. UNDP headquarters should decide on whether this role should be formally added to the responsibilities of Resident Coordinators/Resident Representatives in Arab region NCCs. If so, the Regional Bureau for Arab States and the Bureau for Resources and Strategic Partnerships should help country offices develop country-based strategies. In addition, it would be necessary to build technical capacity as appropriate in each country office to respond to the demands of this new responsibility.

6. Strengthen the UN development system to better respond to the more flexible approach being advocated for NCCs. The UN system partnership in the unique context of NCCs—government funding of the programme and limited UN presence—needs to be strengthened. Options involving single budgets for the UN system and appropriate models of joint programming need to be explored within the UN and with the governments concerned. The Regional Bureau for Arab States and the UN Development Group should work together to explore and assess the options. This initiative could be followed by a pilot project in an NCC country. The unequivocal endorsement of the government is critical for the success of such a pilot project. Also, in view of UNDP's enhanced UN coordination role, it would be necessary to increase the Resident Coordinator's budget. Moreover, to facilitate optimal utilization of the UN by the national government, there needs to be greater awareness about what UNDP, and the broader UN system, has to offer and how countries can access it.

6.2.4 RECOMMENDATIONS AT THE OPERATIONAL LEVEL

7. Improve the system of country programme design and management in line with the new principles of partnership between UNDP and the Arab region NCCs defined above. The programming function exercised by central ministries in regards to UNDP country programmes needs to be strengthened in all Arab region NCCs. A framework needs to be agreed upon between the governments concerned and the UNDP country office whereby project selection would be better aligned to national priorities. Mechanisms to strengthen harmonization of UNDP's systems for management and implementation of activities with national systems need to be established and the national execution system revised accordingly. Mutual accountability of UNDP and the government for monitoring and evaluation needs to be clarified in all NCCs. The UNDP country office also needs to present regular progress reports on the content of projects as well as monitoring reports to a central ministry.

An annual evaluation programme from which lessons can be drawn and applied to future projects needs to be agreed upon and implemented.

8. Strengthen the capacity of the country offices to increase UNDP's contribution to the development effectiveness of its activities in Arab region NCCs and implement the new partnership envisaged above. An assessment of the capabilities of the country offices to become more involved in the substance of work is timely. This assessment should lead to a strategy and plan to strengthen these capabilities in the light

of the work programme for the next three to five years, and include the need for support from UNDP headquarters and the subregional office. For many country offices, this will likely require intensive staff training in line with the human resource learning strategy of the UNDP Strategic Plan. Equally important is the need to develop processes across the project cycle—from design to evaluation—that encourage substantive inputs and a focus on capacity-building, sustainability and replicability of projects. Needless to say, all this will provide a challenge for professional leadership in the management of country offices.

TERMS OF REFERENCE

STRATEGIC EVALUATION OF THE ROLE OF UNDP IN THE NET CONTRIBUTOR COUNTRIES OF THE ARAB REGION

1. CONTEXT

The evaluation is being undertaken within the context of UNDP's policies and practices towards NCCs as well as three important global factors related to aid, the UN and UNDP respectively:

- The changing global aid environment and efforts towards increasing aid effectiveness
- The increasing pace of UN reform and the move towards greater harmonization of efforts
- The evolving UNDP business model and, specifically, the development of the new UNDP Strategic Plan for 2008-2011.

1.1 UNDP AND NET CONTRIBUTOR COUNTRIES

For UNDP a net contributor country (NCC) is a programme country with 1997 GNI per capita above \$4,700 per year. All programme countries, including the NCCs are required to prepare a Country Programme (CP) for approval by the UNDP Executive Board,¹ although NCCs may receive core funds from UNDP, the funds must be reimbursed.² UNDP is now working in more than 30 NCCs worldwide.

Apart from these resource allocation issues,³ UNDP has virtually no specific policies for dealing

with NCCs either at a corporate or a regional level. An internal review of UNDP's role in NCCs and middle-income countries (MICs) carried out in 2003 provided no definitive conclusion or decisions other than to continue with the status quo. However, the review found that the role of UNDP in NCCs and MICs was reported by all regions at the time to be a major issue in need of attention. A recent UNDP Internal Review of the 2004-2007 Programming Arrangements noted that it is unlikely that there will be any major change to the status of NCCs in the next programming cycle. However, in light of the questions that have been raised, the UNDP policy on and funding of NCCs should be re-assessed for future programming cycles.

Since UNDP's programmes in the NCCs are funded by the host countries, the situation creates an atypical dynamic in the relationship between the agency and the host country. With the host government funding the programme, this means that the programme is almost exclusively demand-driven, suggesting that some of the UNDP country programme activities could cover areas that are not central to UNDP's five practice areas.

The implications of this arrangement have prompted discussion of how UNDP can fulfil its

1 When circumstances prevent the preparation or approval of a CP, the Executive Board may authorize the Administrator to approve projects on a case-by-case basis. Such circumstances are normally a crisis situation.

2 Target for resource assignment from the core (TRAC 1) funds, but the funds must be reimbursed. NCCs do not normally receive TRAC 2 funds. The Associate Administrator may approve an advance authorization of TRAC resources to an NCC on an exceptional basis. Countries graduating to NCC status have a three-year grace period during which time they can receive core resources and a reducing level.

3 Given in Executive Board decision 99/2.

4 'Net Contributor and Middle-Income Countries – Towards a Corporate Strategy', internal discussion paper, Bureau of Management, January 2003.

Table 1. Basic Indicators for NCCs in the Arab Region (2004)

Country	Population (millions)	Gross domestic product per capita (PPP US\$)	% GDP from oil
Bahrain	0.7	20,800	30
Kuwait	2.6	19,400	50
Libya	5.7	7,600	30
Saudi Arabia	24.0	13,800	40
United Arab Emirates	4.3	24,100	28
Middle human development		4,900	
High human development		26,600	

Sources: Population, GDP per capita, Internet - UNDP HDR 2006; GDP from oil - various sources

mandate in influencing host countries to move towards the fulfilment of the Millennium Development Goals and the UN's other normative goals given the level of development, specific capacities, and the financial strength that exists in these countries. This has in turn, prompted discussion of what UNDP's future role should be in the NCCs.

1.1 THE REGIONAL CONTEXT⁵

The four Gulf States have experienced an accelerated pace of modernization and development over the last three to four decades, with large-scale infrastructure projects and substantial subsidies for many social benefits (i.e. in health, education, water and electricity) funded from oil revenues. In Libya too, sizeable oil wealth has supported comfortable living standards for the population. All the countries are now considered 'high income' by the World Bank, apart from Libya, which is in the 'upper middle income' category.

The economies of NCCs in the Arab region being based on oil exports, all show common

economic and social characteristics. All countries enjoyed high levels of economic growth that has accelerated substantially in recent years with the increase in oil prices; they have a high rate of population growth but rely increasingly on migrant labour in the private sector, especially in construction and services; youth unemployment is a major issue; generous social subsidies are unsustainable; environmental issues, especially related to water are prevalent; and democratic governance and gender empowerment present difficult challenges. Absolute poverty as defined in the MDGs (less than \$1 per day) is virtually non-existent in the Gulf States and is limited in Saudi Arabia where the benchmark for absolute poverty was raised to \$2 per day. (*Information about absolute poverty in Libya to be collected during scoping mission*). But the other development challenges faced by these countries are especially important in the context of the fundamental values established in the 2000 UN Millennium Declaration.

Table 2 indicates the human development index (HDI) rankings in each country and compares

⁵ At this stage data are collected from a single source to ensure consistency across the region. This may mean that it is not the latest available or even the most accurate and efforts will be made to ensure that the latest and most accurate data is collected from local sources during the evaluation process.

Table 2. Human development Indicators for NCCs in the Arab Region (2004)

Country	Human development index rank (out of 177)	Human development category	GDP per capita rank – HDI rank	HDI rank – GDI rank
Bahrain	39	High	-10	-3
Kuwait	33	High	2	-1
Libya	64	Medium	7	n/a
Saudi Arabia	76	Medium	-31	-10
United Arab Emirates	49	High	-25	0

Source: UNDP HDR 2006

them to the rankings for GDP per capita and the gender-related development index (GDI). It indicates that the high income levels hide lower human development and gender-related levels. The gap between GDP per capita and HDI rankings are significant in Bahrain, Saudi Arabia and UAE. At the same time, Saudi Arabia shows a significant gap between HDI and GDI rankings.

While the countries are in the medium or high human development category, they recognize that they still face some important economic and human development problems. The intensity of these problems differs from country to country, but their economic and social development priorities include many common characteristics:

- Efficient diversification of their economies away from oil-based activities through private sector development and privatization
- Streamlining the education systems and rationalizing immigration policies to encourage the employment of nationals especially in the private sector
- Increasing the efficiency of public administration and the public sector through better transparency and efficiency (e-governance and ITC);
- Developing and implementing sustainable environmental policies;

- Rationalizing and improving the sustainability of subsidies for social services
- Promoting gender equality
- Improving transparency/governance in public sector institutions, government and parliament.

Last but not least, the NCCs of the Arab region—especially Saudi Arabia, Kuwait and the UAE—have a long history of providing generous levels of development aid through national, bilateral and multilateral channels.

2. PURPOSE AND SCOPE

UNDP plays a significant role in the Arab region, covering nearly 20 countries and territories. Within the context described above, the Evaluation Office (EO) of the UNDP will be conducting an independent evaluation of UNDP's role in the NCC countries of the Arab region. Five countries within the UNDP Regional Bureau for Arab States (RBAS) have been identified for participation in this cluster evaluation:

- Bahrain
- Kuwait
- Libyan Arab Jamahiriya
- Saudi Arabia
- United Arab Emirates

Table 3. Evaluation Criteria

UNDP policies and practices towards NCCs	UNDP activities at the country level		
	Strategic positioning	Performance	Management and operations
<ul style="list-style-type: none"> ■ Appropriateness ■ Coherence 	<ul style="list-style-type: none"> ■ Relevance ■ Responsiveness ■ Balance ■ Partnerships ■ Development value 	<ul style="list-style-type: none"> ■ Effectiveness ■ Sustainability 	<ul style="list-style-type: none"> ■ Efficiency ■ Support

Evaluations either assess UNDP's strategic policies or involve an assessment of development results of UNDP programmes and activities in terms of their relevance, performance and efficiency. This evaluation includes features of both types of evaluation. Its primary objectives are forward-looking, learning objectives:

- (1) At the global and regional levels, to contribute to the development of UNDP's corporate and regional strategies and policies related to NCCs
- (2) At the country level, to evaluate and help improve UNDP's strategic positioning in relation to national priorities and in coordination with other partners.

To reach conclusions in both respects, the evaluation will also review:

- (3) the performance of UNDP's activities at the country level
- (4) efficiency of UNDP's programmes and activities.

The evaluation will thus contribute to UNDP's accountability to the Executive Board and to the Arab region NCCs themselves. However, the primacy of the first two objectives means that the last two objectives will not be treated in a comprehensive and exhaustive manner; instead they will be dealt with to the extent they are

germane to reaching conclusions with respect to the first two objectives.

The evaluation will cover the period of the last two programming cycles⁶ for each country, approximately eight or nine years with more emphasis being given to the latest programming cycle. Since this will be a forward-looking, strategic evaluation, the main focus will be on recommendations common to all five of the countries that will feed into corporate strategy and policy development. The evaluation will complement earlier examination of NCC issues, but will add a regional dimension and, most importantly, will obtain national perspectives on these issues in addition to those of UNDP and the UN family.

3. EVALUATION CRITERIA AND KEY EVALUATION QUESTIONS

As the overall approach evolved, it became possible to identify the evaluation criteria and key evaluation questions. The basis for identifying the appropriate evaluation criteria at the country level comes from the DAC criteria, namely, relevance, effectiveness, efficiency, impact and sustainability, but these have been adapted to the specific context and objectives of the evaluation. Table 3 indicates the criteria for evaluating UNDP's activities at the country level as well as for evaluating its explicit and implicit policies towards NCCs.

6 Country Cooperation Frameworks (CCF) or Country Programme Outline (CPO).

Based on the evaluation criteria identified above, key evaluation questions have been identified. Table 4 below sets out the key evaluation questions for examining UNDP's explicit and implicit policy on NCCs in the Arab region.

Table 5 on the following page sets out the key evaluation questions for examining UNDP's activities at the country level in the five NCCs of the Arab region.

4. METHODOLOGY

The evaluation will draw on a number of methods as indicated in Table 6 which links each method with one or more groups of target stakeholders.

4.1 DESK REVIEW

The evaluation research assistant collected relevant documentation from the five participating countries as well as the region. Analytical and summary documents were then prepared. The documentation was also reviewed by the other members of the evaluation team.

4.2 THE LOCAL RESEARCH COMPONENT

The local research component represents a key part of the value-added of the evaluation and is an essential part of the evaluation process. Its

objective is to collect the perceptions of a wide range of national stakeholders on the performance and future role of UNDP in the country. Local research institutes (LRI) will be contracted to undertake the research, which should cover the following three elements:

- **Stakeholder mapping:** First, a mapping of national stakeholders covering state (government policy makers and senior civil servants; parliamentarians, etc.), civil society (opinion-makers such as journalists; NGOs, etc.) and the private sector will be undertaken. These stakeholders would not just be listed but the relationships between them and between each one and UNDP would be identified. The LRI will work with the UNDP CO but following the mapping exercise, will independently identify a sample of stakeholders for inclusion in the process.
- **Identification of methods:** The main approach to methods is to identify the most appropriate set for each country context and for each group or sub-group of stakeholders. A selection of methods would include formal surveys, focus groups, direct interviews, or a combination of such methods as appropriate.
- **Questions:** Agreement will be reached on the questions to be asked of each stakeholder group, for example in the form of a detailed

Table 4. UNDP Policy on NCCs

Evaluation criteria	Evaluation questions
Appropriateness	<ul style="list-style-type: none"> ■ What is the impact of the lack of core-funds and limited access to non-core funds on the effectiveness of UNDP COs in the Arab region NCCs? ■ Is UNDP's narrow perspective on development value (level of country programme delivery) appropriate for Arab region NCCs? ■ How do UNDP's administrative policies restrict the overall effectiveness of the UNDP COs in the NCC region? ■ What level of importance does UNDP place on resource mobilization from the Arab region NCCs and why? What is the potential in this area? ■ How could a more effective implementation of the UN reform agenda increase the effectiveness of the UN family as a whole in the Arab region NCCs?
Coherence	<ul style="list-style-type: none"> ■ How coherent are UNDP's and the broader UN's policies and principles on NCCs? Is there any conflict between the different elements?

Table 5. UNDP Activities at the Country Level

Evaluation criteria	Evaluation questions
1. UNDP's strategic positioning	
Relevance	<ul style="list-style-type: none"> ■ To what extent have UNDP's programmes been relevant to the NCC's most pressing national needs? ■ To what extent have UNDP's programmes been relevant to the NCC government's national development goals and strategies? ■ What is the relevance of UNDP's mandate to the national priorities of the country as reflected in national development plans and other documents?
Responsiveness	<ul style="list-style-type: none"> ■ To what extent and in what manner has UNDP anticipated significant changes in the development context relevant to its areas of intervention? ■ To what extent and in what manner (ad hoc, planned, strategic, cautious, etc.; building partnerships, coordinating, piloting, etc.) has UNDP responded to emerging issues and opportunities?
Balance	<ul style="list-style-type: none"> ■ To what extent has UNDP been able to strike an appropriate balance between upstream and downstream initiatives? ■ How much is the country office programme driven by delivery rather than results?
Partnerships	<ul style="list-style-type: none"> ■ To what extent are major programmes designed in active coordination with other UN agencies? ■ To what extent is UNDP playing a role in promoting coordination between (i) government and donors; (ii) donors; (iii) civil society organizations; and (iv) the private sector?
Development value	<ul style="list-style-type: none"> ■ How has UNDP increased its development value through its non-programmatic activities such as mobilization of resources for use in poor countries in the region or outside? ■ How has UNDP increased its development value through support to the operations of other UN agencies?
II. Programme performance: UNDP's contribution to national development results	
Effectiveness	<ul style="list-style-type: none"> ■ What are the main contributions to national development results for which UNDP is recognized in the NCC? ■ To what extent, and how, do these contributions relate to the intended outcomes that UNDP has strived to achieve?
Sustainability	<ul style="list-style-type: none"> ■ Does UNDP have effective strategies in place to increase the likelihood of lasting effects from its development contributions? ■ Does UNDP promote and facilitate the scaling-up or replication of successful interventions?
III. Management and operations	
Efficiency	<ul style="list-style-type: none"> ■ How has UNDP's management and operations impacted on its ability to contribute to national development results?
Support	<ul style="list-style-type: none"> ■ How effective has the support from HQ been, especially from RBAS and regional resources, including regional programmes and SURF?

questionnaire or a list of core interview questions, depending on the methods selected. A sample set of questions was given to the LRI and also discussed with the CO.

4.3 COUNTRY OFFICE QUESTIONNAIRES AND PRO FORMA TABLES

Basic information from the country offices was collected during the preparation phase and supplemented during the scoping missions. In addition, the evaluation team prepared a standard questionnaire that it left behind with the evaluation focal point in each CO. These questions will be answered by relevant CO staff, although a combined document will be returned to the evaluation team at least one week in advance of the main mission. The answers to the questions will not only allow a degree of comparison of issues across all five countries, but will also flag issues that will need further investigation during the main mission. Pro-forma tables of basic project and management-related information were left with the COs during the scoping missions.

4.4 EVALUATION TEAM INTERVIEWS AND THE STAKEHOLDER WORKSHOP

The evaluation team will hold a number of formal semi-structured interviews with key stakeholders during the main mission. The selection of interviewees will depend on a number of factors, including the nature of stakeholders covered by the local research and the emerging issues arising from the local research and answers to the CO questionnaires. The focus will be on validation of the data collected through other methods in the evaluation process.

Following completion of the report, a final stakeholder workshop will be held to discuss findings, conclusions, lessons learned and recommendations with groups of national stakeholders and members of the UNDP COs in the participating countries.

5. EVALUATION PROCESS AND MANAGEMENT

The preparation and inception phases of the evaluation have been completed (for details see

the inception report) and the remaining process will involve a set of missions to the countries being evaluated and the writing of the report (follow-up to the report is described in section 6).

5.1 MAIN MISSION

- **Main mission 1 – Bahrain, UAE and Kuwait (7-26 April):** The first main mission would immediately follow the final scoping mission in Libya (3-4 April).
- **Full team briefing at HQ (8-10 May):** The team leader and senior evaluation specialist will meet in New York for 3 to 4 days to undertake formal interviews with UNDP HQ (RBAS, BoM, UNGD, BRSP, OA) and other NY-based persons (for example members of UNDP's Executive Board or UN Representatives of the Arab region NCCs).
- **Main mission 2 – Saudi Arabia and Libya (19-30 May):** After the team briefing in NY the team will undertake main missions to the final two countries for approximately one week each.
- **Review of local research findings (2 June):** At the end of the final main mission, the evaluation team will undertake a review of the local research findings with the institutions concerned, possibly with CO representation.
- **Team meeting (3 June):** Immediately after the local research workshop, the evaluation team will meet for two days to brainstorm concerning the conclusions, findings, lessons and recommendations for the evaluation.

At the end of the main missions the evaluation team will prepare country reports. These will serve as inputs into the main report, but will also include recommendations for use by the COs in their programming.

5.2 REPORT WRITING

The process of report writing is programmed to be as follows:

- **Preparation of first draft of the evaluation report:** The first draft will be produced by the evaluation team members as noted below.

The team leader will finalize the first draft based on the inputs from other members. This will be submitted to the EO task manager by mid-July.

- **Review of drafts:** The EO task manager will arrange EO internal reviews and reference group review and UNDP review for factual checking.
- **Final stakeholder workshop:** Following review of the draft documents, a final stakeholder workshop will be held in the region. The workshop will be divided into two parts. First, an internal UNDP session involving the RRs of the countries concerned as well as representatives of RBAS and its regional programme. This session will last one day. Second, based on the first sessions, a broader session with national stakeholders from the Arab region NCCs (government, civil society and private sector) as well as members of the reference group. This session will also last one day.
- **Preparation of final document:** Following the stakeholder workshop the evaluation team leader will finalise the evaluation report and submit it to the UNDP EO. The EO task manager will arrange editing, designing and printing, etc.

5.3 MANAGEMENT ARRANGEMENTS

The EO selected members of the evaluation team:

- **UNDP EO Task Manager:** Nurul Alam
- **Team Leader:** George Zaidan
- **Senior Evaluation Specialist:** Michael Reynolds
- **Research Assistant:** Karima Nehmeh

EO will manage the evaluation and ensure coordination and liaison with RBAS and other concerned units at headquarters level. The EO will meet all costs directly related to the conduct of the evaluation. These will include costs related to participation of the evaluation team members, the local research and the issuance of the final ADR report. The CO will contribute support in kind. EO will also cover costs of any stakeholder workshops.

The concerned COs will take a lead role in organizing dialogue and stakeholder meetings for the main mission, support the evaluation team in liaison with the key partners and discussions with the team, and make available to the team all the material that is available. The office will provide support to logistics and planning.

The time-frame and responsibilities for the evaluation process are as follows (a detailed work plan is contained in Annex 14 of the inception report):

- **Main missions:** April and May 2007
- **Report writing (first draft):** June to mid-July 2007
- **Stakeholder workshop:** September 2007
- **Final report and review:** October 2007

6. EVALUATION OUTPUTS AND THEIR USE

The main output of the evaluation will be a final evaluation report of not more than 75 pages reviewing the experience of UNDP in these five NCCs; identifying lessons learned across these countries, and making recommendations that will feed into ongoing discussions of corporate policy for NCCs in the Gulf. In addition, a set of five country reports of less than 20 pages each will be prepared as an input into the process. These will be used by the COs as appropriate but will not be published or widely distributed. A local research report will also be prepared by the local research institute in each of the five countries as an input into the process.

The evaluation will be utilized by a variety of stakeholders. At the corporate level it will be used by UNDP as an input into its development of a corporate NCC policy. At the country level, the evaluative aspects of country reports would focus on what is distinctive about NCCs, focusing on recommendations that may streamline UNDP's existing and potential activities in these countries. The forward-looking aspects would integrate the views of stakeholders resulting

from the local research as well as the main missions and benefit from the perspectives of the reference group. The country reports could be used by the COs to realign programme priorities, processes and resources in discussing annual programmes with governments within the parameters of the next programming cycle. Governments and civil society stakeholders in the NCCs should also find the independent assessment useful for future planning.

The following steps will be undertaken following completion of the final evaluation report:

- **Dissemination of the evaluation report:** Hard copies of the report will be widely disseminated. Electronic versions will be available on the EO public website as well as in the UNDP Evaluation Resource Centre. An evaluation brief will also be produced. Background documentation related to both the process and substantive issues will be

made available on the EO public or internal websites as appropriate.

- **Submission of final report to the UNDP Administrator and the UNDP Executive Board:** The final evaluation report will be formally submitted to the UNDP Administrator and the UNDP Executive Board. The Administrator will arrange for a management response to be prepared and this will also be submitted to the Executive board.
- **Knowledge management:** A number of knowledge management initiatives are envisaged, although the nature of these will depend on the nature and scope of the findings, lessons and recommendations that come from the evaluation. At this stage it is assumed that a NCC workshop will be organized to discuss lessons learned and implications for the NCC group. In addition,

Annex 2

SELECT BIBLIOGRAPHY

The following is a list of corporate and regional documents reviewed during the inception phase of the evaluation process. Lists of country-specific documents are included in each country report.

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UN Economic and Social Commission for Western Asia, 'The Millennium Development Goals in the Arab Region 2005', 2005

Annex 3

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Annex 4

THE NATIONAL STAKEHOLDER PERCEPTION REPORT

Since the strategic evaluation had evolved from a cluster evaluation of UNDP's contribution to national development results at the country level (that is, an *Assessment of Development Results*, or ADR) the idea of having a local research component was included in the overall design of the evaluation. Whereas in the ADR methodology this would usually be an in-depth examination of a sector or theme of special importance in the country being examined, this approach would be more difficult when dealing with a cluster of countries where the needs may be different. Rather, it was decided to undertake a uniform type of research across all five countries and to address an issue that is often difficult for consultants in their main mission (especially short ones that are undertaken in a cluster evaluation).

The objective of the local research component was therefore to obtain the perspectives of a wider group of stakeholders, including civil society and the private sector in the Arab region NCCs as to the role, performance and potential for UNDP and the UN development system in the region.

APPROACH

The basic approach consisted of three core elements:

- The scope of the exercise was to be wide and include government, civil society and private sector as well as UNDP consultants.
- The local research institutes are in the best position to identify and map the stakeholders and, more importantly, to identify the best methods for each. This approach was based on the belief that the knowledge of the local situation, language and culture would allow richer interaction with stakeholders and provide better data for analysis.

- That the exercise should be independent to the extent possible from the UNDP country office in line with the overall independence of the evaluation.

A terms of reference was produced by the evaluation team along with a broad list of questions.

PROCESS

The terms of reference indicated that the research would be undertaken in three phases:

- **Stakeholder mapping:** The first task would be to map the civil society and private sector stakeholders in the Arab region NCCs. In addition to recent and actual recipients of UNDP assistance, these could include media, universities, professional and business associations. Government stakeholders and partners should also be mapped.
- **Identification of methods:** The second is to agree on the methods to be used, for example, formal surveys, focus groups or interviews, or a combination of such methods as appropriate. In addition, agreement would be reached on the questions to be asked, for example, in the form of a detailed questionnaire or a list of core interview questions, depending on the methods selected.
- **Implementation:** The third is to apply the selected methods as part of the research in each of the five Arab region NCCs. The table below indicates the number of participants by country and stakeholder group.

THE ISSUES TO BE ADDRESSED

The major questions to be addressed as set out in the terms of reference are listed below. Each of the major questions will need to be broken down

	Stakeholder group			
	Policy makers	Project managers	Civil society representatives	Other
Bahrain	9	20	45	0
Kuwait	2	9	10	1
Saudi Arabia	16		31	

into a number of subsidiary questions resulting in a comprehensive questionnaire to be used in a survey or focus group discussion or interviews as decided above:

Awareness of UNDP and its ‘ideal’ role (for all respondents):

- How well known are the services that UNDP can provide?
- Which are the more important services from the perspective of the respondents?
- What do respondents think about UNDP’s past and potential contributions in the five practice areas?
- What role should UNDP (and the UN development system) play in Arab region NCCs?

Relevance and effectiveness of UNDP’s programmes (for past and present clients in relation to the programmes they were involved in):

- How relevant are UNDP’s interventions to national priorities?
- How well are they implemented?
- How can they improved?

MANAGEMENT

The local research was commissioned and managed by the UNDP Evaluation Office in New York. Based on the nature of potential researchers and research organizations, the Evaluation Office will decide whether to approach one individual/institute for each country or a regional one (for example, one for the four Gulf countries and another

for Libya). The former may be quicker because work can proceed in parallel, but the latter will be more consistent/comparable. Quality of output is paramount since the product of this exercise will be a major value-added of our evaluation.

OUTPUTS

The selected local research institutes were asked to prepare a comprehensive (synthesis) report with the following structure (to be agreed upon with the institute following the stakeholder mapping exercise and the decision on the methodology to be used):

- Introduction
- Stakeholder mapping
- The selection of methods used
- The participant responses (format to depend on the methodology)
- A concluding section giving a preliminary interpretation of the findings in relation to each of the questions listed under the issues to be addressed above.

It was made clear that the report would be an input to the main evaluation report and, as a result, would be shared with the country office but not be placed in the public domain.

TIME-FRAME

It was hoped that the National Stakeholder Perception Report would be carried out in March and April 2007. Precise timing of report submission for each country would depend on the

timing of the country missions undertaken by the evaluation team, since the local research reports need to be presented in advance of, and discussed by, the missions. Initial efforts will therefore be made to synchronize the phases of the local research with the missions.

WORKSHOP

The idea for a workshop came during the implementation of the local research when it became clear that none of the country reports would be ready before the relevant main missions. Since it would be desirable for the evaluation team to discuss the reports face to face with the local research institutes, it was decided that bringing them together was the most

practical solution and would mean that the evaluation team would not have to return to the three countries. At the same time, it was hoped that interaction between the three research institutes as well as the participating country offices could provide some rich insights into the process and provide an opportunity to clarify and discuss the draft reports.

FUTURE USE OF THE APPROACH

The NSPR approach was innovative and designed as a pilot with clear intentions to learn from the process and refining and adapting it for use in other UNDP Evaluation Office reports, where appropriate. The UNDP is preparing guidelines to facilitate effective replication.