

UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)
THE KINGDOM OF SAUDI ARABIA

DEVELOPMENT OF AN
INTERNATIONAL COMMERCIAL INFORMATION SYSTEM

Project: SAU1951007
In-Depth Terminal Evaluation
Report of the Evaluation Mission

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I. SUMMARY OF FINDINGS AND

RECOMMENDATIONS PROJECT CONCEPT AND DESIGN

Over several years, the Ministry of Foreign Affairs (MoFA) in Saudi Arabia has engaged in the development of management information systems that will assist MoFA in its functions of promoting foreign trade, investment, and transfer of technology. Specifically, this project addressed the need for comprehensive information about the international market, and the international agreements and regulations.

The most relevant commercial information about each of the foreign trade partners within these markets will be achieved by mobilizing and combining the resources of Saudi foreign missions and the business community. For that, selected staff in Saudi foreign missions will be trained to contribute country and market reports, statistics, information, and analysis about the host country to the Saudi Commercial Information System (SCIS). They will feed various information from relevant international organizations to the system. Moreover, a trained specialist in the Ministry of Commerce (MoC) and the Council of Saudi Chambers of Commerce & Industry (SCC&I) will populate the system with relevant data about the Saudi market. The information may be accessed through PC links or CDROM by all authorized government and business users. Access Centers beside the MoC include Saudi government ministries, embassies, and Council of Saudi Chambers.

The SCIS can be defined as Internet/Intranet computer system capable of receiving the above-mentioned four types of information. It is also capable of providing the necessary indexing, storage, searching, retrieving, navigating, presenting, and printing.

This project can be considered as an extension of a previous UNDP Project, Establishment of an Integrated Trade and Investment System (Project: SAU/94/007).

The Document stated the Project objectives as:

- To assist MoFA in the utilization of information technologies to promote trade, investment and development in foreign markets.
- To educate MoFA staff on how to effectively compile and structure vital commercial data on foreign countries.
- To provide on-line computer platform for MoFA to disseminate commercial data to internal departments as well as to outside public and private concerns.
- To monitor benefits from system use through the correlation of tangible export and investment results in foreign markets with system use.

In addition, the Document detailed seven outputs and nine activities related to each of the above four objectives.

These objectives are achievable if required resources, specifically the human resources, and adequate time to implement and populate the system are availed to the Project. In our opinion, these resources were adequately available to the Project.

The users of the project were identified as: Ministries and government agencies, Saudi embassies, Chambers of Commerce. The objective of the Project was to have widely distributed on-line commercial information to benefit the Saudi economy. The expected benefits are:

- Increasing export earnings and improving the Saudi balance of trade.
- The creation of new jobs.
- The stimulation of private sector growth.
- The diversifications of the economy through the creation of economies of scale for export projects that are too large for the Saudi domestic market alone.

A detailed work plan was included in the Project Document. The work plan showed the various components of the project, stages of implementation and a timetable, and the needed inputs and resources. Minor re-scheduling took place during unanticipated travel by Saudi Staff members, especially the senior members who liked to see in person the various milestone achievements per contract.

PROJECT IMPLEMENTATION

The following activities were implemented: Development of a Saudi Commercial Information System (SCIS), installation of the System at MoFA and MoC offices in Riyadh and Geneva, and training of MoFA and MoC staff. These activities were effective in setting a base for a commercial information center that could assist in promoting trade in the international markets provided that continuous use and maintenance of the information is realized.

PROJECT RESULTS

In our opinion, the purpose, approach, modality of execution and the selected recipient institutions all are still relevant in the current context of the project. Considering the level of commitment provided to the project by MoFA and MoC, and the number and type of personnel and equipment provided to the project, it is clearly noticeable that the project was well managed and implemented.

The project produced the following outputs which are in line with project design in relation to quality and delivery on time: Development of a Saudi Commercial

Information System (SCIS), installation of the System at the Ministry of Foreign Affairs (MOFA) and

the Ministry of Commerce (MoC), and Country commercial guides for the EU (15 countries) and Japan were produced. Moreover, training on the use of the SCIS was conducted for the staff of MoFA and MoC. Also, the project enabled SOIS linkage to the World Trade Organization (WTO) database in Geneva.

The immediate objectives for the project were completely achieved, and the outputs were instrumental in this regard. The immediate micro level effects were:

- Ability to access WTO database in planning for Saudi accession to the WTO.
- Raising the computer literacy of officials working at MoFA and enhancing the ability of Saudi staff working in the computer center at MoFA.
- Assisting in the transfer of the needed technology.

On the other hand, future micro level effects of this project can be seen as:

- Helping Saudi businessmen to consider new markets, identify opportunities and initiate contacts with potential foreign partners to promote foreign trade.
- Increase export earnings, creation of new jobs locally and diversification of the economy through creation of economies of scale for export project.
- Ability to link SOIS to databases of W1 'O, other international organizations, and private vendors.
- Enhancing market research analysis skills at the Saudi private sector.
- More Saudi export opportunities available internationally to the Saudi businessman.

Through linking SOIS to the WTO database, the project succeeded in providing a solid ground for the Saudi decision makers to negotiate and finalize commercial agreements effectively.

The positive results of the project are likely to be sustained once international assistance terminated. MoFA and MoC have already initiated plans for selecting qualified national staff and training them to contribute to maintain SOIS. There is another plan by MoC to populate the system with the relevant data about the Saudi markets through training Saudi specialists in MoC and the Council of Saudi Chambers of Commerce & Industry.

FINDINGS

The project addressed an area of concern to the Saudi development, namely, the

lack of information related to business opportunities available in the international markets and the related regulation and rules governing international trade and investment. The conclusions that we can draw from this evaluation are:

- Major targeted users and beneficiaries of the project are Saudi businessmen. However, they did not participate directly in the design or implementation of the project. Moreover, the Saudi private sector does not have any links to the systems yet.
- The structure/skeleton of the different information systems were accomplished. However, the benefit they can produce to the end users is not seen yet since the data entry and information maintenance phases are not carried out.
- There is a large correlation between this project and certain parts of another UNDP project (SAU/94/007, Establishment of an Integrated Trade and Investment System).
- The project design envisioned that different Saudi foreign missions will carry the tasks of providing and feeding the systems with the needed information. Further efforts and time are needed in order to carry out this task to full operation. There is also a need to link all Saudi Missions and to train their employees.
- Comprehensive training efforts are required for MoFA, MoC, and Saudi Chambers of Commerce employees, in order to enable them to utilize the systems. Efforts in areas of the data entry completion, analysis of available information, and producing the needed reports are necessary.
- The systems provide information regarding the different commercial opportunities abroad. However, the other aspect of providing complete information about trade and investment opportunities inside Saudi Arabia would be beneficial and could be emphasized more.

RECOMMENDATIONS

Our major recommendations concerning the actions that should be taken to improve the current project, or the planning/implementation of similar projects in the future are as follows:

- Linking the private sector to the systems to extend the flow of information to them.
This can be done through linking the Council of Saudi Chambers to the systems.
- Re-organizing the management of the system by allowing representatives of major users (government agencies, private sector, academic sector) to actively participate in the activities of designing, implementing, and following up the projects and similar projects.

- Further training of Saudi staff at MoFA, MoC, Saudi Chambers of Commerce, and the different users to enable them to more efficiently utilize the information resources available.
- Proceeding as soon as possible to set a comprehensive plan to enable the full utilization of the systems. This requires many actions such as; completing training, data entry of the information, and linking all Saudi commercial missions abroad, the Council of Saudi Chambers, and all Saudi Chambers of Commerce's to the systems, and continuous maintenance of the information.
- Continuously enhancing of the systems to enable them to take advantage of the latest developments in information technology.
- Extending the system to provide detailed information concerning Commercial Guides for Saudi Arabia and having it on the Internet to promote trade to Saudi Arabia.

LESSONS LEARNED

Some of the main lessons that can be learned from this project for improving the quality of UNDP programs are:

- The importance of having a National Steering Committee in the recipient country. Participation in this Committee should be available to representatives of different users and beneficiaries from UNDP programs. The Committee must supervise the functions of: selecting the needed projects, approving the plans, and following up the implementation. Such an action will enhance the ability of selecting the most appropriate projects, coordinating between different projects, trying to find synergy between projects, and ensuring the most effective utilization of resources assigned to them.
- A comprehensive detailed training plan must be part of each project document in order to approve project. In this way, bottlenecks of human resources needed for the project can be eliminated and problem areas can be anticipated.
- A Manager of national staff (not linked to the contractor) should be assigned to each project to insure impartiality and stability.

II. PROJECT CONCEPT AND

DESIGN A. Context of the project

Over several years the Ministry of Foreign Affairs (MoFA) in Saudi Arabia has engaged in the development of management information systems that will assist MoFA in its functions of promoting foreign trade, investment, and transfer of technology. When the project document was drawn, MoFA was the appropriate agency to assume this project and execute it given its prior experience, interest, and leadership position in this area. MoFA undertook this project as a refinement of a previous UNDP project, Establishment of an Integrated Trade and Investment System (Project: SAU/94/007). Both projects promote national development that touches across many industries and sectors.

In addition, UNDP involvement was also appropriate since it has excellent experience on matters related to development and in particular management development and transfer of technology. The development of information systems as envisaged by this project, is an important step in helping management and decision makers by providing them needed information and on a timely manner. Also, given the high technology content of this project, a transfer of technology is eminent and its accompanying management skills need to be transferred to nationals.

B. Project document

1.The problem and the technical approach

The Project Document stated that world commodities and financial markets are driven by information flows that prompt actions to buy and sell. Thus, by providing and improving the information flows to the Saudi decision makers, they can more readily identify opportunities and reduce risks. This is clearly indicating that the problem is mainly the inefficiency in the flow of commercial and financial information. Because of that, Saudi decision makers (official and businessmen) lack the needed data and information to analyze and decide about the international investment opportunities.

Such a problem was indicated by the document, which stated that in order to actively promote the Saudi foreign trade, it is necessary to have comprehensive information about the international market, and the international agreements and regulations. The document stated that the project would make this information available to solve the problem of inefficiency in information flows. The information can be grouped into two main classes according to the information source:

- International Markets
- International Organizations

The most relevant commercial information about each of the foreign trade partners within these markets will be achieved by mobilizing and combining the resources of

Saudi foreign missions and the business community. For that, selected staff in

Saudi foreign missions will be trained to contribute country and market reports, statistics, information, and analysis about the host country to the Saudi Commercial Information System (SCIS). They will feed various information from relevant international organizations to the system. Moreover, a trained specialist in the Ministry of Commerce (MoC) and Council of Saudi Chambers (CSC) will populate the system with relevant data about the Saudi market. The information may be accessed through PC links or CDROM, by all authorized government and business users. Access Centers beside the MoC include Saudi government ministries, embassies, and Council of Saudi Chambers.

The SCIS can be defined as Internet/Intranet computer system capable of receiving the above-mentioned four types of information. It is also capable of providing the necessary indexing, storage, searching, retrieving, navigating, presenting, and printing.

This approach is ambitious and need to be well conceived and structured to achieve the targeted goal.

2.Objectives, indicators and maior assumptions

The Document stated the Project objectives as:

- To assist MoFA in the utilization of information technologies to promote trade, investment and development in foreign markets.
- To educate MoFA staff on how to effectively compile and structure vital commercial data on foreign countries.
- To provide on-line computer platform for MoFA to disseminate commercial data to internal departments as well as to outside public and private concerns.
- To monitor benefits from system use through the correlation of tangible export and investment results in foreign markets with system use.

In addition, the Document detailed seven outputs and nine activities related to each of the above four objectives.

These objectives are achievable if required resources, specifically the human resources, and adequate time to implement and populate the system are availed to the Project. In our opinion, these resources were adequately available to the Project.

3. Beneficiaries

The users of the project were clearly identified as:

- Ministries and government agencies.

- Saudi embassies.

- Chambers of Commerce.

The benefits of the Project results, as stated in the Document, are widely distributed online commercial information to support the Saudi economy.

The expected benefits are:

- Increasing export earnings and improving the Saudi balance of trade.

- The creation of new jobs.

- The stimulation of private sector growth.

- The diversification of the economy through the creation of economies of scale for export projects that are too large for the Saudi domestic market alone. 4.

Work plan

A detailed work plan was included in the Project Document. The work plan showed the various components of the project, stages of implementation and a time-table, and the needed inputs and resources. Minor re-scheduling took place during unanticipated travel by Saudi Staff members, especially the senior members who liked to see in person the various milestone achievements per contract.

111. PROJECT

IMPLEMENTATION A. Activities

The implementation of main activities followed to great extent the initial project plan. In addition, continuous reporting during the implementation phase was carried out which reflects involvement for all parties concerned (UNDP, MoFA). All parties were in full agreement of the project implementation.

The following activities were implemented: Development of a Saudi Commercial Information System (SCIS), installation of the System at the MoFA and MoC offices in Riyadh and Geneva, and training of MoFA and MoC staff. These activities are effective in setting a base for a commercial information center that could assist in promoting trade in the international markets provided continuous use and maintenance of the information is realized.

H. E. The Deputy Minister of MoFA set the project under his direct supervision where he continuously follows the various part of the implementation. In addition, MoFA provided needed personnel and equipment. These actions demonstrated MoFA's high level of commitment to the project.

The national staff at MoC participated in the implementation of the project, but not to a high degree. The number of professional staff is still limited, and their experience is not that rich. However, many national staff were exposed to the project's technology and were acquainted with the system. But, we did not notice that much of institutional changes have occurred during implementation of the project, neither was there staff turnover.

The project implementation linked very successfully to a major line of MoFA's and MoC's activities, mainly, to assist the Saudi economic interests in the world market. But, there was not that much involvement for the concerned parties such as the Council of Saudi Chambers of Commerce & Industry.

The management of the project faced minor administrative difficulties caused by the absence of a clear-detailed administrative procedures to many government functions and activities that are related to the project. Recruiting and designating qualified Saudi professionals to the project was another problem faced by the project management. However, the implementation was successful in overcoming some difficulties through organizing the work around various activities in the project and intensifying the training of a limited number of Saudis.

There were no notable funding gaps, problems in the flow of funds, cost overruns, or other financial difficulties that hindered implementation.

The project received the following expertise and they were appropriate to the project:

- R&D capabilities in relation to computer software Information gathering
- Multimedia authoring
- Project management

There was a successful transfer of expertise to national staff from expatriates in some areas such as capabilities in relation to computer programming, information gathering, multimedia authoring, and project management. However, there is still a need for some expatriates to continue working along with the Saudi staff to carry actual use and updating of the project for several more years.

The project succeeded in providing training in various areas for the national

staff. The current positions and responsibilities of some of the people trained are shown in Annex 4

(Saudi Staff Members Associated with the Project). In addition, many national staff at MoFA and MoC were exposed to various elements of the project.

The equipment provided to the project were appropriate and up-to-date technology (please see Annex 2 for a list of hardware/equipment, procured for the project). Maintenance on these equipment is done in two ways: (1) preventive, whereby frequent checks on made the equipment and pending problem areas are identified and resolved; and (2) corrective, whereby a malfunction is fixed once it occurs. Overall, the procured equipment under this project has been handled well with minimal problems reported. Since most of these items are portable units, spare parts were not procured. If a problem occurs, it can be quickly fixed by simply sending the unit to the repair shop (most of the units have a 3 year international warranty).

B. Quality of monitoring and backstopping

There is a continuous follow up by HE The Deputy Minister of MoFA, of the different aspects of the project, and there were progress reports supplied by the contractors. There is still a need for an advanced systematic procedures at MoFA and MoC to internally monitor and evaluate projects.

Moreover, there were not any tripartite review conducted on the project nor an external evaluation during the project implementation. In addition, the project did not receive any complementary support from other UN specialized agencies, bilateral agencies, or NGOs.

IV. PROJECT

RESULTS A.

Relevance

In our opinion, the purpose, approach, modality of execution and the selected recipient institution all are still relevant in the current context of the project.

B. Efficiency

Considering the level of commitment provided to the project by MoFA and MoC, and the number and type of personnel and equipment provided to the project, it is clearly noticeable that the project was well managed and implemented.

C. Outputs

The project produced the following outputs which are in line with project design in relation to quality and delivery on time: Development of a Saudi Commercial Information System (SCIS), installation of the System at the Ministry of Foreign Affairs (MoFA) and the Ministry of Commerce (MoC), and Country commercial guides for the EU (15 countries) and Japan were produced. Moreover, training on the use of the SCIS was conducted for the staff of MoFA and MoC. Also, the project enabled SCIS linkage to the World Trade Organization (WTO) database in Geneva.

D. Immediate objectives

The immediate objectives for the project were achieved, and the outputs were instrumental in this regard. Some of the immediate micro level effects of this project are:

- Ability to access W'TO database in planning for Saudi accession to the WTO.
- Raising the computer literacy of officials working at MoFA and enhancing the ability of Saudi staff working in the computer center at MoFA.
- Assisting in the transfer of the needed technology.

On the other hand, future micro level effects of this project can be seen as:

- Helping Saudi businessmen to consider new markets, identify opportunities and initiate contacts with potential foreign partners to promote foreign trade.
- Increase export earnings, creation of new jobs locally and diversification of the economy through creation of economies of scale for export project.
- Ability to link SCIS to databases of WTO, other international organizations, and private vendors.
- Enhancing market research analysis skills at the Saudi private sector.
- More Saudi export opportunities available internationally to the Saudi

businessman. E. Development Objectives

Saudi Arabia is one of the largest open market economies that is still not a member of the World Trade Organization (WTO). Its accession is underway and it is expected to gain membership soon. With the strong trend towards globalization and freeing the flow of goods and services, Saudi Arabia, like any

developing nation, needs to be prepared to utilize the available opportunities. A tool to assist in achieving such goal is having developed a system of information about commercial opportunities in the trading partner countries. Consequently, this project is expected to make a broader contribution to the development of the country.

F. Effectiveness

Generally speaking, the overall cost of used resources was justified with regard to the results obtained. However, the effectiveness of the project could be enhanced if:

- Users were involved from the beginning in the concept design and participated in implementation.
- A larger participation of Saudi private sector in the management and maintenance of systems related to them was achieved.

G. Capacity Building

Through linking SCIS to the WTO database, the project succeeded in providing a solid ground for the Saudi decision makers to negotiate and finalize commercial agreements effectively. Moreover, MoC was able to attract some young professional Saudis to work on various components of the projects. These nationals participated successfully in developing programming capability and managing aspects of the project.

H. Impact

At the end of the project, there are no losers that we can see. Among the immediate beneficiaries are the Saudi government, chambers of commerce, and the private sector and businessmen not just in Saudi Arabia but also the trading partners. The project did not produce any significant unforeseen effects, positive or negative. And the impact on the environment is almost nil, since there is no hazards seen from such a project on the environment.

I. Sustainability

The positive results of the project are likely to be sustained once international assistance terminated. MoFA and MoC has already initiated plans for selecting qualified national

staff and training them to contribute to maintain SCIS. There is another plan by MoC to populate the system with the relevant data about the Saudi markets through training Saudi specialists in MoC and Council of Saudi Chambers.

J. Follow-up

The general system design and the prototypes are ready for use. However, to make the results of this project fully utilized, there is a need for follow-up support in the following areas:

- Attracting various users to the systems.
- Continuous maintenance of the information.
- Training of targeted users.

V. FINDINGS

The project addressed an area of concern to the Saudi development, namely, the lack of information related to business opportunities available in the international markets and the related regulation and rules governing international trade and investment. The conclusions that we can draw from this evaluation are:

- Major targeted users and beneficiaries of the project are Saudi businessmen. However, they did not participate directly in the design or implementation of the project. Moreover, the Saudi private sector does not have any links to the systems yet.
- The structure/skeleton of the different information systems were accomplished. However, the benefit they can produce to the end users is not seen yet since the data entry and information maintenance phases are not carried out as needed.
- There is a large correlation between this project and certain parts of another UNDP project (SAU/94/007, Establishment of an Integrated Trade and Investment System).
- The project design envisioned that different Saudi foreign missions will carry the tasks of providing and feeding the systems with the needed information. Further efforts and time are needed in order to carry out this task to full operation. There is also a need to link all Saudi Missions and to train their employees.
- Comprehensive training efforts are required for MoFA, MoC, and Saudi Chambers of Commerce employees, in order to enable them to utilize the systems. Efforts in areas of the data entry completion, analysis of available information, and producing the needed reports are necessary.
- The systems provide information regarding the different commercial opportunities abroad. However, the other aspect of providing complete information about trade and investment opportunities inside Saudi Arabia

would be beneficial and could be emphasized more.

VI. RECOMMENDATIONS

Our major recommendations concerning the actions that should be taken to improve the current project, or the planning/implementation of similar projects in the future, are as follows:

- Linking the private sector to the systems to extend the flow of information to them.
This can be done through linking the Council of Saudi Chambers to the systems.
- Re-organizing the management of the system by allowing representatives of major users (government agencies, private sector, academic sector) to actively participate in the activities of designing, implementing, and following up the projects and similar projects.
- Further training of Saudi staff at MoFA, MoC, Saudi Chambers of Commerce, and the different users to enable them to more efficiently utilize the information resources available.
- Proceeding as soon as possible to set a comprehensive plan to enable the full utilization of the systems. This requires many actions such as; completing training, data entry of the information, and linking all Saudi commercial missions abroad, the Council of Saudi Chambers, and all Saudi Chambers of Commerce's to the systems, and continuous maintenance of the information.
- Continuously enhancing of the systems to enable them to take advantage of the latest developments in information technology.
- Extending the system to provide detailed information concerning Commercial Guides for Saudi Arabia and having it on the Internet to promote trade and investment to Saudi Arabia.

VII. LESSONS LEARNED

Some of the main lessons that can be learned from this project for improving the quality of UNDP programs are:

- The importance of having a National Steering Committee in the recipient country. Participation in this Committee should be available to representatives of different users and beneficiaries from UNDP programs. The Committee must supervise the functions of: selecting the needed projects, approving the plans, and following up the implementation. Such an action will enhance the ability of selecting the most appropriate projects, coordinating between

different projects, trying to find synergy between projects, and ensuring the most effective utilization of resources assigned to them.

- A comprehensive detailed training plan must be part of each project document in order to approve project. This way, bottlenecks of human resources needed for the project can be eliminated and problem areas can be anticipated.
- A Manager of national staff (not linked to the contractor) should be assigned to each project to insure impartiality and stability.

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