



Kingdom Of Saudi Arabia

**OUTCOME EVALUATION
OF
UNDP SUPPORT
for
NATIONAL STRATEGIES REFLECTING VISION 2025
in terms of
Pro-poor and Sustainable Development policies,
enhancing the Labour Sector
and
the Cost Effective Delivery of Public Services**

(30 April, 2010)

Selected Facts on Saudi Arabia from HDR 2007/2008

Population:	23.6 million (2005)
Total Population:	7.3 million (1975) / 23.6 million (2005) – 29.3 million (2015)
Annual Population Growth Rate %:	3.9 (1975-2005) 2.1 (2005-2015)
Gross Domestic Product (GDP) per capita (PPP US\$):	\$13,825 (2005)
Human Development Index (HDI) Rank:	61
Human Development Index (HDI) Value:	0.812
Gender Development Index (GDI) Rank:	70
Ratio of Estimated Female to Male Earned Income	0.16
Health Expenditure Per Capita (PPP US\$):	601 (2004)
Life Expectancy at Birth (years):	53.9 (1970-1975) 71.6 (2000-2005)
Public Expenditure on Education	6.8 (as a % of GDP 2002-2005) 27.6 (as a % of total government expenditure 2002-2005)
Youth Literacy Rate (% aged 15-24):	87.9 (1985-1994) 95.8 (1995-2005)
Adult Literacy Rate (% aged 15<):	70.8 (1985-1994) 82.9 (1995-2005)
Electricity Consumption Per Capita:	6.902 (Kilowatt-hours) 2004 57.9 (% Change) 1990-2004
Unemployed People (thousands)	327 (1996-2005)
Unemployment Rate (% of labor force)	5.2 (1996-2005)
Population without Electricity (millions)	0.5 (2005)
Total Carbon Dioxide Emissions	254.8 (1990) 308.2 (2004)

Source: Human Development Report: Saudi Arabia. MOEP/UNDP. 2008

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EXECUTIVE SUMMARY

Outline of the Report This Outcome Evaluation has been commissioned by the UNDP Saudi Arabia with the prime objective of assessing the contribution of UNDP in support of Outcome 1 of the Country Programme (in line with Saudi Arabia's National Vision 2025) which focuses on (a) delivering pro-poor and sustainable development policies, (b) supporting the labour sector (with specific reference to Saudization of the labour force and efficiency of the labour market) and (c) the cost effective delivery of municipal services including in the rural areas of the country. The two major Outputs of the Country Programme are:

Rural Development Strategy Formulated Support for Policy Analysis and Strategic Planning

The wider UNDP Country Office (CO) Programme based on the Country Programme Action Plan (CPAP 2007-2011) provides the substantive foundation for the Outcomes and a valuable enabling environment and supportive functions for the achievement of the three sub-Outcomes.

The Report evaluates how the two UNDP Outputs (implemented through two Projects with key government counterparts) have contributed to the achievement of Outcome 1 of the Country Programme and achievement of Saudi Arabia's Vision 2025.

Since the Country Programme started in 2007 and ends in 2011, this exercise serves as an evaluation of progress towards achieving Outcome 1 to date, while many further activities will be undertaken in 2010 and 2011 in the run up to the conclusion of the Country Programme by the end of 2011. The Country Programme Document defines the UNDP longer term outcome objectives of its country programme and provides the substantive basis for the two outputs under review. The final section of the Evaluation Report summarises the lessons learned from the analysis of the performance of the two projects in terms of their contribution to the intended outputs/outcomes. Based on this, some proposals are made on the future orientation of the two projects if they are to achieve their desired results.

Progress on sustaining the requisite governmental functions and activities in the stated areas A close examination of the performance of the projects under consideration and their contribution to the record of wider economic and social advancement in Saudi Arabia, shows that together they are taking the necessary measures to ensure sustainability of governmental functions and activities in their respective domains. Among the 20 UNDP projects ongoing in Saudi Arabia at the time of this report, two have been identified as the focus for the review of Outcome 1.

The Support for Policy Analysis and Strategic Planning (Phase 111) Project with the Ministry of Economy and Planning (MOEP) (2009-2011: \$XXX), in particular has, over the longer and medium term through previous and current phases, demonstrated that sound technical advice and in-house support has facilitated significant progress in almost all spheres of economic planning and the capacity of the MOEP to undertake this task. A key result under this output has been the design of the 9th National Development Plan (2010-2014) which sets the vision for achieving sustainable development in the coming years. Other key results included support for the National MDG Reports and MDG costing analyses. Through the project, the MOEP has taken on board sophisticated and innovative analytical tools including highly quantitative GDP models and forecasts which have been used extensively by Saudi macro-economists and sectoral specialists in the design and formulation of overall national strategies. The capacity of the MOEP to undertake the necessary technical analysis underpinning the Eighth and Ninth Plans and the National Vision 2025 has been developed in the relevant areas under the Country Programme, namely pro-poor and sustainable development policies and ways to enhance the labour sector. This capacity is due, in no small part, to the provision by UNDP of more than 20 senior

advisers engaged in all aspects of the programme. The dialogue between the UN advisers and the national officers has been an effective process with capacities developed for long term results.

With regard to the Output on Enhancing Public Service Delivery, a National Rural Development Strategy project has been formulated with the Ministry of Municipalities and Rural Affairs (MOMRA) (2009-2011; \$XXX). Launched in 2009, the project will provide high level technical advisers to help design a new National Rural Development Strategy to address the issues of human development and social equity in less developed provinces and remote rural areas.

In addition to these two flagship projects under CP Outcome 1, there are numerous other National Strategies being developed with UNDP support, under other CP Outcomes. These includes support for a new National Youth Strategy, a new National Spatial Strategy, WTO-Post Accession Strategies, National Climate Change Impact and Vulnerability Assessment.

Progress on Recruitment of Saudi nationals and personnel There is a need to revisit this area of the MOEP/UNDP project recruitment performance to ensure that more Saudi short term advisers/consultants are recruited and retained (in the MOEP), especially in the next phase where participatory and enhanced consultative processes are recommended. In addition it is recommended that there should be a greater emphasis on the engagement of Saudi experts in training workshops and other initiatives. The same reasoning applies to the MOMRA project.

Progress in maximizing to the greatest possible extent the Saudi determination of its economic and social policies and strategies. This aspect of the evaluation outcome has beyond any doubt been achieved in all substantive areas reflecting the greatly enhanced capacity of the Saudi national officers to exercise greater control over economic and social policies and strategies through the medium of the national plans and the LTS.

Multiple outcomes – UNDP outcomes to be complementary with MOEP and MOMRA While the CPD has defined the means of achieving Outcome 1 through the various outputs, focused on poverty and sustainable development and municipal public services, it is difficult to appreciate the essential linkages between the outputs and how they are integrated together in terms of the Saudi Governments priorities. It is suggested that some more coherent set of complementary modalities are derived for the future phase of the projects so that the CPD Outcome better matches the overall integrated National Vision 2025. As with any development issue, the solutions adopted are often found with multiple stakeholders and partners. In this case interaction between the MOEP and the MOMRA and other partners and stakeholders needs to be included in the mix of actions and outputs. This applies particularly to the pro-poor and sustainable development policies and the labour sector but rather less to the municipal public services provision outcome since their delivery is much more clearly a designated local authority responsibility.

Need for follow-up implementation action A key focus for the Outputs in the final years before the end of the CP in 2010 and 2011 will be to support the follow-up to the Ninth Plan. While current cooperation is not explicitly directed to the national poverty strategy, greater attention needs to be placed on ways to achieve the goals of the 9th Development Plan. The UNDP supported MDG report (2008) sets out some aspects of the follow-up agenda but this could be translated into more concrete proposals and tasks for the project advisers. In particular, UNDP and the Government have agreed to focus on the need to focus MOEP-UNDP cooperation on the Sustainable Development priorities of the 9th NDP including issues of clean energy while other projects will also support design of a new National Spatial Strategy, National Rural Development Strategy, National Youth Strategy, National Climate Change Impact and Vulnerability Assessment.

Training and capacity development The role of the UNDP/MOEP project has, for many years been ostensibly on capacity development and technical support. Innovative thought needs now to go into ensuring that this aspect of the project is greatly enhanced in the next phase.

Continuing need for longer term perspectives The clear linkage of the CP Outcome 1 to the National Vision 2025 strategy illustrates the long term nature of UNDP's development cooperation in Saudi Arabia having been present in the Kingdom since 1965. Very rarely are quick solutions found to major development issues. Even more difficult to discern are the marginal impacts of individual actions on outcomes in these areas. It should be sufficient to demonstrate that outputs such as the MOEP/UNDP project are focussing on the right problems and issues and are using its resources wisely to address these issues over the long term. With the MOMRA municipal public services project the focus, once the strategy phase is completed, is on the implementation with attention to the "least cost and value for money" criterion for rural and urban services provision.

UNDP/Ministry agreement on Strategic priorities A revisit will be necessary and a dialogue started before the next phase commences between UNDP, the MOEP and other development partners on the strategic priorities for UNDP cooperation. A wider remit on governance issues and development plan management and delivery in the areas of economic, social and environmental development would be appropriate.

Positive elements of the UNDP-Government cooperation The CP/CPAP Reports (See **Annexes ccc and ddd**) documents note the lessons learned from past cooperation as follows: (a) Strong and long term UNDP-Government partnerships is a model that is working well in building national capacities, sharpening national priorities and goals and extending the benefits of highly specialized technical expertise and advisory services. (b) A core set of programmes focused on thematic practice areas aligned with, and supportive of, national development priorities is essential for optimal results. Programming flexibility should be maintained to accommodate emerging priorities. (c) National recognition of the value added by UNDP through its network of expertise and best practices and as a bridge to global experiences in technical and policy areas is important for continued positive UNDP impact. (d) The operational and implementation modality of national execution needs to be revisited with the aim of enhancing efficiency and speed of implementation.

Private-public partnerships UNDP cooperation could benefit greatly from a rather broader definition of the role of the private sector as the real time implementers of some important elements of national policies and strategies. This might include such aspects as the legal basis for foreign workers recruitment and the linkages to immigration policy, enforcement and how the private sector would be consulted. Significant modalities of UNDP cooperation with the private sector (national and local levels) in conjunction with local authorities could be usefully explored in other areas of the Country Programme.

Reorient priorities of UNDP/MOEP project towards community driven and governance dimensions – wider social, economic and environmental (sustainable development) perspectives etc Social and economic change on the scale currently being undertaken in Saudi Arabia is moving fast with inevitable tensions (disparities, inequalities and social and economic exclusion) as a result. This is most evident at the local level (even municipality) or at the frontiers of change. The intensity and speed of change arises from a host of sources, including globalization, economic diversification, demand for improved services, social and economic justice and so on. Under these circumstances, the need to undertake development in a culturally sensitive manner becomes paramount if it is to lead to meaningful and lasting quality of life improvements. This suggests a more consultative form of development bringing local communities into the decision making process.

Prepare medium term action plan inc with MDGs at the center Over the medium term the guiding document for a number of the social and economic priorities will be the Ninth Plan and the MDGs, BUT they should not prevent other issues and approaches being considered. Ideally the MDG initiatives need to be melded into a wider economic and social agenda to ensure the sustainability of the results/targets. The substantive elements could be provided by the Ninth Plan. This wider agenda will be a component of the dialogue on the future of the project and no doubt the CP as a whole.

Redefinition of UNDP experts and short term experts roles The run up to the next phase of the UNDP/MOEP project could assess a more integrated role of the advisers (as recommended in the Review of the project in 2008) which would enhance their capacity development function. Likewise the ST consultants/experts remit should also be examined. Each ST expert would be required to have a strong training and capacity development/building element in their terms of reference. Given the multi-dimensional nature of development and the multi-entity implementation modalities which it requires, some new thinking is needed for bringing about a more holistic approach to UNDP support for the MOEP which cuts across the rather narrow and long established sectoral approach.

Overseas institutional and training visits to Gulf region and beyond Serious consideration needs to be given to instituting and carrying out a series of training based visits by senior MOEP officers to development organizations in the Gulf region and elsewhere to understand the options for a more integrated and governance (management) approach to plan implementation. This would be followed up by a technical in-house review of the findings based on the report on the individual missions/visits.

National workshops on poverty and deprivation, social, environmental and implementation issues Based on the development of a holistic agenda developed for the next phase, it would be useful if a series of flagship workshops were staged on selected topics. These could be for local (including Gulf region) or international participation and based on the MDGs or other development priorities.

Recommendation: Cooperation under Outcome 1 should continue The clear message from this evaluation is that the UNDP cooperation has provided a most valuable role in guiding the economic and social development of Saudi Arabia. The MOEP project is uniquely significant in this regard and has been a flagship project with international recognition for many years. However as with any long standing partnership – it must be subject to in-depth internal review before the next phase commences. This could result in a refocusing of the efforts of the project and a new set of inputs, outputs and outcomes defined and drawn up. The dialogue and review necessary for the design of the next phase of the two projects should commence as soon as possible. To some degree, this Outcome Evaluation might be considered at a starting signal and first baseline input for this dialogue. With respect to the UNDP/MOEP project, the intensity of the assessment will inevitably be greater than for the MOMRA project which is only commencing in early 2010. The MOEP on the other hand needs to re-evaluate the broad focus of the current phase (2009-2011) alongside the inputs of the individual advisers and short term experts with a view to ensuring that they are delivering effectively. This is a normal practice at the commencement of any new phase of a major project and has been undertaken on many occasions in the past.

While no pre-conditions should be set on the nature or focus of the future UNDP-Government cooperation, the focus on pro-poor and sustainable development policies, the labour market and municipal services should not necessarily stand as sacrosanct or supreme, even though it clearly agrees with the focus for programming under the current Country Programme between UNDP and the Government. For the municipal services project which was only launched in late 2009, the effectiveness of the support to achieving Outcome 1 will be reviewed at the end of the CP, after 2011.

OUTCOME EVALUATION OF NATIONAL STRATEGIES REFLECTING VISION 2025 in terms of Pro-poor and sustainable policies, enhancing the Labour Sector and the Cost Effective Delivery of Public Services

PART I. OUTLINE OF THE REPORT

This Outcome Evaluation has been commissioned by the UNDP Saudi Arabia with the prime objective of assessing the contribution of two major UNDP projects in support of Outcome 1 of the Country Programme (in line with Saudi Arabia's National Vision 2025) which focuses on (a) delivering pro-poor policies and sustainable development policies, (b) supporting the labour sector (with specific reference to Saudization of the labour force and efficiency of the labour market) and (c) the cost effective delivery of municipal services including in the rural areas of the country. The two major Outputs of the Country Programme are:

Rural Development Strategy Formulated Support for Policy Analysis and Strategic Planning

The Report evaluates how the two UNDP outputs (implemented through two projects with key Government counterparts) have contributed to achievement of Outcome 1 of the Country Programme and achievement of Saudi Arabia's Vision 2025. It is also clear that the UNDP programme portfolio as a whole has been increasingly aligned with the wider economic and social objectives of the Government as evidenced by the Eighth Development Plan (2005-2009) and the recently published Ninth Development Plan (2010-2014) for KSA. The wider UNDP Country Programme provides a valuable enabling environment and supportive functions for the achievement of the Outcomes.

The final section of the Evaluation Report summarises the lessons learned from the analysis of the performance of the two projects in terms of their contribution to the intended outputs/outcomes. Based on this, some proposals are made on the future orientation of the two projects if they are to achieve their desired results.

PART II PURPOSE OF THE OUTCOME EVALUATION REVIEW/STUDY

The Objective of the Evaluation According to the TOR, the objective of the outcome evaluation is to assess how the outputs of the above mentioned projects have contributed to the change of the (national) outcome: "National strategies reflecting vision 2025 in terms of pro-poor policies and labour sector and cost-efficient delivery of municipality services including (in) rural areas". The evaluation of this outcome was strategically placed at this particular time in order to promote needed adjustments, identify lessons learned and draw up a sustainability plan for the continuing projects.

Since the Country Programme commenced in 2007 and ends in 2011, this Report serves as an evaluation of progress towards achieving Outcome 1 to date while many further activities will be undertaken in 2010 and 2011 in the run up to the conclusion of the Country Programme by the end of 2011. The Country Programme Document (CPD) defines the UNDP longer term outcome objectives of its country programme and provides the substantive basis for the two outputs under review.

PART III. EVALUATION METHODOLOGY AND APPROACH

The basic methodology and approach adopted for this Evaluation has been based on the TOR issued by UNDP which recognises that the old approach to evaluation of narrowly assessing project results against project objectives is no longer considered appropriate. Current practice now requires an assessment of how the project results contribute, together with the assistance of partners, to a change in development conditions. Outcomes are influenced by a full range of UNDP activities (projects, programmes, non-project activities and “soft” assistance within and outside of projects) as well as the activities of other development actors. Therefore, a number of variables beyond the projects have been considered during the evaluation. The evaluation incorporates evidence-based information that is considered credible, reliable and useful and is easily understood by UNDP partners. ^{1/}

^{1/} Information on the methodologies is given in *Guidelines for Evaluators*, issued by the Evaluation Office, UNDP. The evaluator is expected to use all relevant methods to obtain data and information for their analysis and drawing up of findings, conclusions, lessons learned and recommendations. An outline of an evaluation approach is provided below; however it should be made clear that the evaluation team is responsible for revising the approach as necessary. Any changes should be in-line with international criteria and professional norms and standards (as adopted by the UN Evaluation Group). They must be also cleared by UNDP before being applied by the evaluation team.

These include:

- a) Documentation review: Begin with the CPD/CPAP for a description of the intended outcome, the baseline for the outcome and the indicators and benchmarks used. Examine contextual information and baselines contained in project documents and all relevant documents and, relevant evaluation reports.
- b) Use of interviews, field visits, questionnaires and meeting including participatory forums to validate information that has been conducted by the evaluators that produced a draft report in about the status of the outcome that is culled from contextual sources such as the CPAP or monitoring reports; also use to the extent possible the data collected and analysis undertaken by the country office prior to the outcome evaluation; and examine local sources of knowledge about factors influencing the outcome;
- c) Identification of the major contributing factors that “drive” change.
- d) investigate the pre-selected outcome indicators, go beyond these to explore other possible outcome indicators, and determine whether the indicators have actually been continuously tracked;
- e) Undertake a constructive critique of the outcome formulation itself; determine whether or not individual outputs are effective in contributing to outcomes, drawing the link between UNDP outputs and outcomes.
- f) Determine whether individual outputs are effective in contributing to outcomes.
- g) Determine whether or not the UNDP strategy and management of overall country operations appears to be coherently focused on change at the outcome level. Examine whether UNDP’s in-house planning and management of different interventions has been aligned to exploit synergies in contributing to outcomes.
- h) Determine whether or not there is consensus among UNDP actors, stakeholders and partners that the partnership strategy designed was the best one to achieve the outcome; examine how the partnerships were formed and how they performed; Examine how the partnership strategy affected the achievement of or progress towards the outcome.

PART IV. BACKGROUND SITUATION AND THE OUTCOME EVALUATION

IV.1 THE BACKGROUND SITUATION

Situation Analysis of KSA The Kingdom of Saudi Arabia has over the past decade progressively diversified the economy to reduce the excessive reliance on oil exports as the main driver of the economy. As a result of far reaching economic and social reforms a sound basis for a vibrant private sector has been established to balance the still major role of the public sector. At the same time enlightened leadership and management has resulted in progress in reducing social and economic disparities in the country with major advances in almost all spheres of society. The Government has adopted and signed almost all the major international conventions relating to human rights, the environment and social advancement and has subscribed to the fundamental objectives of the Millennium Development Goals (MDGs) which includes a commitment to reduce the incidence of poverty. UNDP in Saudi Arabia has been at the forefront in supporting the KSA endeavours in these spheres. ^{2/}

The 8th and 9th Development Plans Saudi developmental policies and plans are outlined in the eighth five-year development plan (2005-2009) and the more recent Ninth Development Plan (2010-2015). The Eighth Plan was accompanied, for the first time, by a long-term strategic perspective on development based on the Future Vision of the Saudi Economy towards 2025. It underscores a national commitment to the people by: (a) integrating all the MDGs and seeking to promote the role of women and the youth in national development processes; (b) supporting private sector investment as the driver of future growth and promoting further diversification away from heavy reliance on natural resources, particularly oil and natural gas, avoiding negative impacts on the environment, particularly water resources; and (c) optimizing the efficiency of the public sector including a reform process towards greater transparency, participation, democratization, decentralization and local governance. A serious effort has been made to promote and protect human rights in the country, including children's and women's rights.

According to the Ninth Development Plan, Saudi Arabia's principal development focus continues to be on economic diversification, expanding equal opportunity employment, providing good health and education services throughout the Kingdom, building manpower skills and protecting the Islamic traditions and cultural heritage in KSA. ^{3/}

^{2/} **The following commentary taken from the MDG Report in 2008 illustrates the general progress of the Saudi socio-economic sphere.** Over the five years covered by the Seventh Development Plan (2000–2004), and the three years of the Eighth Development Plan, the Kingdom achieved extensive developmental progress, reflected in the higher welfare level enjoyed by citizens; attested to by improved per capita income and increased job opportunities, as well as by quantitative and qualitative expansion of health and education services. As a result of growth of oil and non-oil exports, notable improvements in the productive sectors and in both the balance of trade and the balance of payments have also been achieved. Socio-economic indicators reflect these successes. Moreover, diversification of the base of the national economy increased, with the share of the non-oil sectors constituting 72.2% of the total GDP in 2007, despite the remarkable growth of the oil sector in recent years. The Saudi economy is also being increasingly integrated into the global economy, with the ratio of foreign trade in goods and services to the GDP reaching some 82.8% in 2007.

^{3/} The main challenges facing KSA are described as providing better quality education, manpower development, reducing Saudi youth unemployment, excessive reliance on expatriate workers, judicial reform, and equitable and fair access to social and economic Services in KSA regions.

The Strategic Vision 2025 The National Long Term Strategy (NLTS) (Vision 2025) provides the framework for successive five year plans to 2025. The LTS sets out a wide array of long term national development objectives. See ANNEX ccc for further details. It is noteworthy that the economic projections to 2025 in the LTS were prepared with the assistance of economic forecasting models introduced through the UNDP/MOEP Planning project in an earlier phase of the development cooperation programme

In summary, the Long-Term Strategy addresses dimensions other than the economic, in the belief that human development encompasses social and cultural dimensions as well. Within such framework, a composite quality-of-life indicator has been devised to cover all relevant aspects, including human development indicators, the millennium development goals that cover among other things health, education, income distribution, and environment, and other indicators specific to the Kingdom. Thus, the composite indicator comprises 11 indicators that are themselves composite indicators, each composed of sub-indicators that number 40 in total. The composite indicators cover income and distribution, transport and communications, health, education, housing, environment, family life, public safety, and recreation and leisure. Values of these indicators and their expected development during the period of the strategy are being worked out.

The fundamental basic reference for this Outcome Evaluation is set by the declared national strategy to 2025 to, *inter alia*, reduce poverty, strengthen the labour market and widen and deepen the array of municipal services with special attention to the most deprived areas/regions.

Economic Growth and Diversification In recent years the performance of the Saudi Economy has closely mirrored international crude oil prices. In 2008, real GDP rose by 4.2 percent as compared to 3.4 percent in 2007 reflecting a rise in world oil prices. In 2009 the latest estimates show rather lower GDP growth at 2.3 percent.. However in line with the diversification strategy, the non-oil sectors are expanding rapidly. In 2008, the fastest growing sector was transport (11.4%) followed by utilities. The non-oil sector accounted for some 72% of GDP in 2007. The economy has gradually reduced dependence on oil revenues by diversifying into export industries such as metals, plastics and chemicals.

Social Policy and Poverty Reduction Poverty reduction is a central objective of economic and social development in Saudi Arabia. Combating poverty and its ramifications takes many forms that cut across sectors and approaches. Nevertheless, unemployment remains the major cause of poverty according to some observers. Fortunately, according to official observations, the wide availability of educational, health, and social security services in all parts of the Kingdom to all targeted and needy groups has confined poverty to small pockets. ^{4/}

The Kingdom has formulated a comprehensive national (poverty) strategy (with UNDP assistance) for eradicating extreme poverty and reducing the incidence of poverty in general. This strategy provides for establishing a database through surveys designed to measure various poverty indicators, determine the poverty line, find out the proportion of the poor to the total population, and identify the vulnerable social groups and the geographic areas

^{4/} The extreme poverty line in the Kingdom (food insufficiency) was estimated at about 2 dollars a day per person. In 2005, families living in extreme poverty constituted 1.63% of the total number of families, or about 35 thousand families, while the average size of the Saudi family was 6 persons. For the same year, the extreme poverty gap is estimated at 0.02% of the GDP.

where the poor are concentrated. It also provides for identifying the causes of poverty and the programs and policies required for a radical, lasting resolution of the problem. ^{5/}

The development planning process provides a framework for studying, analysing and evaluating all factors affecting living conditions. The Eighth Development Plan gives high priority to issues relevant to poverty reduction, such as unemployment, balanced development, and provision of social services and care. The plan would, therefore, enhance efficiency of policies and improve the conditions for attaining standard-of- living objectives in general and poverty reduction in particular. Moreover, availability of financial resources enables the Kingdom to act quickly and decisively to alleviate poverty through social security measures, giving more time to lasting, radical solutions to come to fruition. Lastly, the Kingdom enjoys advanced institutional and organizational capabilities. Noteworthy in particular are community organisations that provide support and care to the needy throughout the country, playing an essential role, complementary to that of relevant state institutions.

Over the last decade the KSA has made far reaching progress in improving social services and initiated steps to reduce the incidence of poverty. Progress is recorded in the Saudi MDG Report for 2008. Likewise the substantial advancements in human development are recorded in some detail in the most recent Saudi Human Development Report (HDR 2007).

Labour policy and Saudization One of the most critical long term challenges facing KSA is the need to reduce the excessive reliance on foreign workers in all sectors of the economy. Labour policy in the Kingdom seeks to liberalize labour laws and strengthen the functioning of the labour market to increase efficiency, raise labour productivity and improve human resource allocation. The increasing integration of women into the productive work force is a major success of the policy in recent years.

Rural Development Strategy The KSA has for many decades emphasised the need to upgrade infrastructure and services at the local (municipal and rural) level with emphasis placed on achieving a fair “balance” in terms of service delivery between urban and rural areas. In 2001, the Government launched its Urban Development Strategy which stressed the important but largely neglected role of municipalities as service providers. Despite these efforts, the gap between urban and rural areas in respect of incomes, services provision, job

^{5/} Some Features of the National Strategy for Combating Poverty: (SOURCE MDG Report 2008, MOEP).

A. Fundamentals of the Strategy:

- To provide the poor with opportunities to build and enhance their material and human assets, by providing job opportunities, credit, education, training and health services.
- To enhance the capability of the poor to participate efficiently in economic activities.
- To improve the living standards of the poor by enhancing their ability to face health, natural and economic risks.

B. Themes of the Policies of the Strategy:

1. **Macroeconomy:** policies aimed at accelerating economic growth and distributing its benefits equitably among the regions and social groups.
2. **Economic empowerment of the poor:** policies aimed at making the poor own means of production, and raising their productive capabilities, as well as increasing work opportunities open to them.
3. **Public services:** policies aimed at improving health, education and municipal services.
4. **Social protection:** policies aimed at increasing the effectiveness of the social security network and enhancing the role of benevolent and voluntary organisations in poverty alleviation.
5. **Family property:** policies and programs aimed at solving housing problems and providing adequate housing for the needy.

opportunities and many other socio-economic indicators is considered as unacceptably wide, and in some areas is widening. The regional level disparities as between “rural” dominated regions and “urbanised” regions is increasing and some rural areas are not just lagging far behind the national average but record almost no functioning services. To address this growing gap, the Saudi Government (through the Ministry of Municipal and Rural Affairs – MOMRA) has commenced the formulation of a Municipal Development Strategy to identify the roles, resources, and capacities of local authorities in rural areas and generally improve their performance. The UNDP/MOMRA project is geared towards facilitating this strategy.

MOMRA Review of Urban Services Provision In order to better understand service delivery and municipal management at the local level, the Ministry of Municipal and Rural Affairs (MOMRA) is undertaking a sector study on service delivery in rural areas, which aims at devising a strategy to improve service delivery and enhances the management capabilities of the concerned organizations. The findings of the study will be presented in a “National Workshop” intended to bring together all stakeholders and generalize findings. UNDP will be supporting this study through the Country Programme and the MOMRA Urban Services Provision project (Rural Development Strategy).

KSA and the Millennium Development Goals (MDGs) The Government of the KSA has been actively pursuing the Global MDGs since the year 2000 with intense and increasing commitment. Three Reports have been prepared to date on progress, in 2002, 2006 and 2008. These reports illustrate the significant steps the Kingdom has taken over the past decade to bring about meaningful and socially oriented and sustainable development. UNDP in Saudi Arabia has been at the forefront in supporting the government and specifically the MOEP and relevant government ministries and agencies in this regard. The Kingdom of Saudi Arabia participated in the Millennium Summit of September 2000 which yielded the Millennium Development Goals (MDGs). A high level delegation represented the Kingdom chaired by His Royal Highness King Abdullah Bin Abdulaziz, Custodian of the Two Holy Mosques. ^{6/}

Through the past four decades, the Kingdom of Saudi Arabia has built extensive development and social infrastructures required for the achievement of the MDGs and the various national development aspects at large. These developments have lead to an increase in the life span due to the provision of health services and food security, drastic reduction in the illiteracy rate, reduction in child mortality, income and housing improvements, and the availability of drinking water and utility services.

Meeting the MDGs in Saudi Arabia: The MDGs reports on Saudi Arabia produced in 2002, 2006 and 2008 by the Ministry of Economy & Planning in coordination with UNDP, describe the significant progress the Kingdom has reached with respect to the achievement of the MDGs. According to the 2008 report; reaching the 18 MDGs targets is highly expected with

^{6/} Following the Millennium Summit, the Ministry of Economy and Planning has taken on the practice of producing national MDGs reports to reflect on Saudi Arabia's performance with regards to the achievement of the MDGs. Those reports are developed in coordination with the UNDP country office in Saudi Arabia. The Kingdom was able to publish its first National Millennium Development Goals Report in 2002. The Report outlined the achievements of the MDGs and the prospects of the Government for year 2015. The MDGs Report has been a very good tool to assist the government officials in formulating policy frameworks for further MDGs achievements. A second and a third National Millennium Development Goals Report for year 2006 followed by a Report in 2008 were also developed to incorporate the latest development reforms and outline the major changes made towards meeting the MDGs targets:

a good current supporting environment. ^{7/} Available data on implementation and costing of the MDGs in the Kingdom demonstrate that the set targets for a number of goals have already been reached or even surpassed, while others are expected to be reached well ahead of schedule. Indeed, data cited later in the report show that 10 out of the 11 targets set for the first 7 MDGs have already been reached or would be reached before 2015. Moreover, the 11th target of ending the loss of environmental resources is being addressed by the Eighth Development Plan and followed up in the Ninth Development Plan. ^{8/}

However, the 2008 report points out that monitoring of progress towards certain targets is hampered by lack of data, since statistical monitoring mechanisms for some MDGs, such as those related to the environment, are still at an early stage of development. Nonetheless, international endeavour to monitor the MDGs is motivating national efforts aimed at developing such mechanisms, which, in turn, should help remedy shortcomings of national MDG reports.

In summary, the most prominent, and considerably significant aspects of the Saudi experience in endeavouring to achieve the MDGs, are twofold. The first is the efforts made to attain the set targets ahead of schedule. The second is the success in integrating the MDGs not only into the Eighth and Ninth Development Plans, but also into medium and long-term policy frameworks.

IV.2 CONTRIBUTION OF UNDP AND THE TWO PROJECTS to achieving the STATED OUTCOMES

UNDPs Country Programme in KSA UNDP has acted as a development partner to the Saudi government, in strong partnership with civil society and in response to the nation's development needs since 1965. The areas addressed are tailored to meet the Kingdom's evolving development priorities, in particular as they are represented in the Eight National Development Plan (2005-2009) and in the Ninth National Development Plan (2010 - 2015), which focus on reducing poverty, enhancing the management of environment and energy, raising standards of living, improving the quality of life for all, augmenting the role of women and youth in national development, optimizing globalization benefits by improving the

^{7/} The first national report of the Kingdom of Saudi Arabia was prepared in 2002, followed by a second report in 2006 and a third in 2008. All three reports were prepared by the Ministry of Economy and Planning, in close collaboration with the relevant government agencies, and with support from the United Nations Development Program (UNDP). The report charts the progress made by the Kingdom towards achieving the MDGs at three levels:

- 1st. Development of an information and legislative environment conducive to achieving the MDGs.
- 2nd. Integration of the MDGs into sustainable development, through the development plans in general; the Eighth Development Plan in particular.
- 3rd. Persistent efforts to achieve, even surpass, the MDGs ahead of the schedule set by the UN.

^{8/} From March 2003 - December 2006, UNDP Saudi Arabia carried a project which provided technical assistance to the establishment of Al-Madinah Al-Monawwarah Urban Observatory Network (MUON). This project was implemented in partnership with the Ministry of Municipal and Rural Affairs (MoMRA) - Municipality of Al-Madinah Al-Monawwarah. The new phase of the project aims at analyzing the interrelation between the various indicators to initiate and implement development programmes and projects accordingly. This is in addition to implementing programmes targeting poor families and the empowerment of women & youth. Additionally, as a result of this project a "toolkit" with direct link and explicit reference to the 8 MDGs was produced and disseminated to different stakeholders at the local and national levels.

productivity of the economy, strengthening the science and technology base and a solid research & development capacity, and enhancing the performance of the public sector as well as partnerships for development. UNDP Saudi Arabia is regarded as a professional development partner enjoying strong linkages with and respect of both government & civil society as a knowledge based organization capable of tapping into UNDP's Global Development Network in support of human development and the MDGs in Saudi Arabia.

Current involvement in the substantive areas under consideration is based on the CDP/CPAP. ^{9/} As already indicated, one of the most significant areas of involvement is the long term support for development planning with the Ministry of Economic Planning (MOEP). ^{10/}

CDP/CPAP The Country Programme Document (See Annex ddd for more details) endorsed by The Government of the Kingdom of Saudi Arabia and the UNDP Country Office provides the basic framework for the cooperation between the two parties. The current Framework spans the period 2007-2011. The CDP/CPAP embraces the major international economic and social initiatives including the realization of the Millennium Development Goals and the United Nations Conventions and Summits to which the Government of the Kingdom of Saudi Arabia and UNDP are committed including the UNFCCC and CEDAW. The KSA is a signatory party to major international environmental conventions (Convention on Climate Change, Desertification, Endangered Species, Hazardous Wastes, Law of the Sea and Ozone Layer Protection) and is committed to its obligations under these conventions.

National Priorities More specifically, the country programme is based on national priorities as reflected in the eighth national development plan and a review of the previous country cooperation framework (CCF) for 2001-2005. It resulted from a round-table discussion involving all stakeholders, the Government, the private sector, civil society and UNDP. The CPD notes the significant human development challenge facing the country

^{9/} The previous Country Cooperation Framework (CCF) covered the period 2001-2005 and was designed to include two major areas of focus: (a) Globalization and public sector reform; and (b) Building national capacity for sustainable economic and social development.

^{10/} The UNDP country programme is designed in a flexible manner that responds to the Kingdom's evolving national development objectives as represented in the Five-Year Development Plans. The most recent UNDP Country Programme for Saudi Arabia was formulated based on the eighth national development plan, for the period (2005-2009). In line with some of the national goals, UNDP Saudi Arabia has set several targets to be achieved:

- Mainstreaming Millennium Development Goals (MDGs) in national development and governance mechanisms
- Using the National Human Development Reports (NHDR) in central and regional planning processes
- Introducing and expanding the use of Information and Communication Technology (ICT) in the operations of key institutions to improve work efficiency
- Preparing a National Poverty Strategy
- Ensuring the issuance of policy formulation and regulatory changes by the Government in support of a conducive environment for investment and post WTO accession
- Supporting the municipal elections
- Enhancing the local development and urban development capacities
- Preparing the Climate Change Action Plan and National Water Strategy
- Improving the national capacity in disaster management, preparedness, and mitigation

which involves a gradual shift away from dependence on expatriate labour, and creating an environment for viable, value-adding and sustainable employment opportunities for new entrants in the labour market, especially for youth and women.

MOEP/UNDP Project - Support for Policy Analysis and Strategic Planning This is the third phase of a six-year “Umbrella” capacity development project at the Ministry of Economy and Planning.^{14/} The project/programme builds on a long standing legacy of technical cooperation between UNDP and the Ministry of Economy and Planning that has existed for almost three decades and has been instrumental in supporting the continuous focus and refocusing of the Kingdom’s development efforts to address the challenges and issues of the day in the context of the longer term development priorities. For example, the Project has, according to some observers, been instrumental in helping the Government in its economic and social reform efforts and a shift from the emphasis on GDP growth to a results-based development orientation based on the goal of upstream development results, human development and the necessary infusion of greater productivity, technology and innovation.

The specific outputs of the latest phase are:

- (1) maintained strategic planning, macro and sectoral policy analysis, regional socio-economic planning and development, and plan monitoring;
- (2) Continued process of operationalizing the Institutional Support Facilities; and
- (3) Capacity development programme updated and implemented.

Over the years the UNDP/MOEP project has worked closely on a wide range of critical development issues including population forecasting, statistical support, transportation planning, agricultural development, environmental analysis, and human development. Three key outputs of the most recent phase of the assistance have been:

- **Macro-economic modelling** to recommend national development policies, from forecasts of fluctuating oil and gas prices and forecasts for public expenditures, to unemployment rates, inflation projections, population growth, trade liberalization following accession to WTO (supported by UNDP), as well as the impacts on the economy of negative external shocks such as the 2008-2009 recession and accompanying government economic stimuli.
- **National MDG Report (2008)** highlighting continued challenges to achieving and sustaining development results, and MDG Costing Analysis, identifying the domestic resources necessary to achieve various priorities under the MDGs.
- **Saudi Arabia’s 8th National Development Plan (2006-2010) and the 9th National Development Plan (2010-2014)**, focused on the priority issues facing the Kingdom in the final run-up to the MDGs and **Saudi Arabia’s Long-Term Strategy**.

^{14/} The three major objectives of the umbrella programme are:

- (a) to build the capacity of the MOEP in the main areas of economic and social policy analysis, sectoral and strategic planning, regional and decentralized planning and plan monitoring and implementation;
- (b) to integrate the various capacity building and support initiatives firmly into the institutional and organizational setting of the MOEP;
- (c) to conduct an effective and focused staff training programme for Saudi nationals through the medium of special technical support facilities in the selected technical/substantive areas.

At the outcome level, these interventions have greatly contributed to national reform efforts and sustainable growth of all sectors of the economy, and thus a tangible improvement in the quality of life among Saudi citizens over the last decade. UNDP has helped build local capacities in economic and social policy analysis, sectoral and strategic planning, regional and decentralized planning, and monitoring and evaluation of development results. As Saudi Arabia moves forward to address deeper social and environmental development challenges, UNDP support has been critical in the past in integrating local development challenges and sharing models of international best practice.

The UNDP/MOEP project supports the training of national experts in policy analysis and sustainable planning. Emphasis is put on considering the demands and interests of all stakeholders and participatory methods that involve the business community, urban and regional institutions and the youth of society in the discussion of development planning. It also responded to the global recession in supporting Saudi Arabia in adapting its economic modelling and plans to respond to the new global environment.

The main key partners for this project are: The Government as an Executing Agency (The Ministry of Economy and Planning); UNDESA as a Cooperating Agency and UNDP in the management of the financial resources and in providing substantive support.

The CCF Review of the Project A recent review of the progress of the MOEP project for the Country Cooperation Framework (CCF) observed that the long term partnership between UNDP and the Ministry of Economy and Planning (MOEP) has contributed to building national capacities, further sharpening the goals of the Eighth National Plan and bringing about a balanced mix of economic, social and environmental goals in the long term vision for 2025. The contribution of long term advisory services in the preparation of the first national human development report and the three national MDG reports, combined with UNDP advocacy on those issues, resulted in the integration of the MDGs in the eighth and ninth plans and its sectoral programmes. In the framework of globalization and public sector reform, tangible achievements included policy advice and technical support provided to the National Team assigned to negotiate accession to the WTO, which set the stage for the coming phase of UNDP-Government cooperation in post- accession economic and social development.

UNDP/MOMRA Project- Rural Development Strategy/Municipal Public Services

Provision The successive national five year development plans put large emphasis on the need to upgrade the infrastructure and the services the government provides at the local level. Emphasis was also placed on achieving balance in terms of service delivery between urban and rural areas. This, by default led the government to rethink the role of the local entities in service delivery. In 2001, the Government of Saudi Arabia launched its Urban Development Strategy, which emphasized the role of municipalities as service providers. Based on the findings of the Municipal Services Provision study described earlier, the government requested UNDP to commence preparation of a strategy to enhance development in rural areas, with the aim of providing support for planning and service delivery at the municipal level. **A Description of the main features of the MOMRA Public Services Provision Project is at ANNEX bbb.**

Some important objectives that MOMRA hopes to achieve from this project are:

- Reducing the gap in service quality and coverage between rural and urban areas;
- Enabling each tier of municipal councils to provide a set of services consistent with its capacity; and

- Achieving all the above in a manner that is fiscally neutral with regard to the national budget.

Intended Outcomes of the Rural Development Strategy Project The TOR of the Outcome Evaluation describes the intended outcome of the MOMRA/UNDP project as follows:

This potential operation is seen as a critical step towards a long-term comprehensive municipal development program ultimately aimed at an equitable improvement of the living conditions throughout the country, with a particular focus on the most underserved areas. The project... represents a vital first step towards establishing a sector framework to enable the achievement of the country's long-term objective of improving the delivery of services at the local government level (with a particular focus on the under-served) , bringing about development to rural areas, and enhancing rural-urban integration. Within a short- to medium-term time frame, the project would focus on the municipal council as a basic unit for local development by strengthening its capacity to deliver services in a sustainable, transparent, efficient and equitable manner.

Specifically, the project would result in:

- Increased coverage and quality of municipal service provision, e.g. roads, solid waste management, street lighting, plantation and environmental health, with particular emphasis on addressing deficiencies in under-served areas;
- Strengthened municipal capacities to manage and deliver municipal services efficiently, equitably and in a prioritized, planned and participatory manner.
- Restructuring of municipal organizations in rural areas to create more effective and efficient institutions.

Despite the various on-going efforts to improve services countrywide, the urban-rural gap is still wide, rendering many of the rural settlements with little or no services at all. This in part is due to the location of these settlements in remote areas at a distance from any major service corridor. On the other hand, the low density in some of these settlements makes it unfeasible to provide the needed services. However, in most part this lagging situation is due to the absence of a municipal strategy that distributes roles, identifies resources and enhances the capacity of local authorities in rural areas. The MOMRA/UNDP project will address these issues.

PART V. THE OUTCOME EVALUATION REPORT - ASSESSMENT OF OUTCOMES AND RESULTS

In accordance with the TOR for the Evaluation Study, the key issues and topics reviewed and an assessment of their progress in relation to Outcome 1 of the CP are set out below:

V.1 ASSESSMENT OF PROGRESS TOWARDS THE INTENDED OUTCOMES (as indicated above) and STRATEGIC TARGETS.

Among the factors reviewed by the Evaluation Mission and the respective findings are the following:

V.I.1 The origin of the outcome and its constituent interventions. The Outcome 1 which provides the basis for this Evaluation stems from the Country Programme Document of UNDP which is in turn derived from the Long Term Vision 2025 and the Eighth National Plan.. The three strategic focal areas are (i) Pro-poor and sustainable Development Policies; and (ii) improvement in the labour market with special reference to the accelerated employment of Saudi nationals and (iii) delivery of municipal public services to disadvantaged regions. Each of the three areas are firmly rooted in the national LTS, in the Eighth and Ninth Development Plans and in part in the MDGs and accordingly registered in the CPD for Saudi Arabia as priority areas.

Poverty reduction is a core target in the MDG on which the Government continues to place great emphasis. The constituent interventions comprise the two projects undertaken by UNDP and the Government with the MOEP project directed towards sub-outcomes (i) and (ii) and the MOMRA project to sub-outcome (iii) of the broader Outcome 1 of the CPD.

V.I.2 The past experience, findings and recommendations of previous evaluations, dialogue with stakeholders and their impact on the design of outputs. Past evaluations have been undertaken on two of the sub-outcomes by UNDP, namely the poverty reduction outcome (for the MDGs) and the provision of municipal services. The former evaluation was based on support for the MDGs and the latter on an assessment for drafting the MOMRA project document on provision of municipal services. The necessary improvement in the labour market has been reviewed on numerous occasions by government agencies and underpins almost all of the major projects and development initiatives undertaken or supported by UNDP in the sense that Saudization, reduction in the reliance on foreign workers, and greater labour efficiency is almost always a basic component of technical support and capacity building projects. The essential approach of UNDP in preparation for any project always involves an in-depth and often lengthy dialogue with the major stakeholders within Government and to a lesser degree with associated agencies. No project is designed without these basic tasks being undertaken and complete agreement reached with the government agency concerned on the design of the project, its outputs and final outcomes. This applies to the two key projects under review by this evaluation Mission which have been signed by the two ministries concerned and UNDP.

It should also be noted that the UNDP Country Programme for Saudi Arabia (2007-2011) is based on national priorities as reflected in the eighth national development plan and a review of the previous country cooperation framework (CCF) for 2001-2005. It resulted from a round-table discussion involving all stakeholders, the Government, the private sector, civil society and UNDP.

V.1 3. The adequacy of background work. There can be little doubt that the entry of UNDP into these outcome areas has been based on a fairly lengthy period of analysis and review. This is in respect to the formulation of the respective projects with the MOEP and MOMRA which have identified (based on the CP) poverty reduction and sustainable development, reform of the labor market and the need to provide underserved municipalities with enhanced services as focal areas. The priority and urgency of the substantive areas under review is also supported by independent analysis undertaken for the Eighth and Ninth Development Plans (which feature all of the sub-outcome areas), the MDGs, the national Human Development Report (2008) and the CPAP (2009) in addition to specific background discussions and analysis undertaken in the formulation of the two projects.

V.1 4 Progress made towards the achievement of the respective outcomes. The contribution of the two projects to the respective sub-outcomes is difficult to trace at the

national level given the magnitude of the issues. However each project under review incorporates – within their specific mandates – measures which contribute to the achievement of the sub-outcomes. The MOEP project has been heavily involved in drafting the Ninth Development Plan which features poverty reduction as a special target area – especially in those pockets where the incidence of poverty is high. This, along with the reduction in income and services provision disparities cited in the Ninth Plan, complements the efforts of MOMRA to rapidly enhance the provision of essential services to poorly serviced municipalities. As already indicated the long term economic objective of the Saudi Government is to continue to push for a reduction in the reliance on migrant foreign workers. The Ninth Plan strongly reaffirms this objective. However in all of the sub-outcome areas it must be conceded that they should be viewed more properly as long term objectives and outcomes involving a multitude of development partners.

V.1.5 The balance of effort needed and the suitability of pursuing the achievement of the sub-outcomes. The continued presence of UNDP in the substantive areas under review is unquestionable since much more needs to be done. The spheres of involvement rank among the highest priority longer term development targets of the Government. It would therefore be unreasonable and unjustified for the UNDP to withdraw from support for outcome 1 and its sub-outcomes given the importance attached to them by the government. Accordingly, the clear message is that the suitability of continuing to pursue the respective outcomes is, without question, essential and should continue. As regards the balance of effort required there is a need to appreciate that for the poverty outcomes and the improvement to the labour market, continuous and sustained effort is required. For the former the incidence of poverty is already very low and only rises to significant levels in some regions. With respect to the support for the survey of adequacy of municipal services, this is only the first step with later complementary stages to follow in the design and implementation of the strategy. (see details in the project document – **ANNEX bbb**)

V.1.6 Innovative approaches and capacities developed through UNDP assistance As already indicated, the Kingdom has formulated a comprehensive national (poverty) strategy (with UNDP assistance) for eradicating extreme poverty and reducing the incidence of poverty in general. This strategy provides for establishing a database through surveys designed to measure various poverty indicators, determine the poverty line, find out the proportion of the poor to the total population, and identify the vulnerable social groups and the geographic areas where the poor are concentrated. It also provides for identifying the causes of poverty and the programs and policies required for a radical, lasting resolution of the problem. UNDP has helped build local capacities in economic and social policy analysis, sectoral and strategic planning, regional and decentralized planning, and monitoring and evaluation of development results through the modality of the MOEP project. This project and its antecedents has been, for many years, at the forefront of innovative support for development planning in the KSA including social programmes for poverty reduction, formulating the poverty strategy, macro-economic modelling, environmental protection and for economic and social reforms which are progressively helping to modernize and liberalize the KSA and build the human development framework. The contribution of long term advisory services in the preparation of the first national human development report and the three National MDG reports, combined with UNDP advocacy on those issues, resulted in the integration of the MDGs in the eighth and ninth plans its programmes. Over a number of years the technical support based in the MOEP project has changed its configuration with some frequency to reflect the priorities of government. The current project is the third phase of an umbrella project that was heavily involved in the preparation of the Ninth Development Plan. The MOEP project has provided technical and capacity building support to the KSA

with respect to the design of measures to promote Saudization and deliver economic reforms which seek to promote this objective.

Likewise the MOMRA project has, for the first time, sought to establish the situation on the ground as regards the level of municipal services and will be followed by the formulation, also for the first time, of a municipal services development strategy which will target and upgrade the services for the poorest and most deprived municipalities. Moreover, optimizing the efficiency of the public sector including a reform process towards greater transparency, participation, democratization, decentralization and local governance is at the heart of the UNDP Country Programme.

V. 2 ASSESSMENT OF THE UNDERLYING FACTORS AFFECTING THE OUTCOME

V.2.1 The underlying factors beyond UNDP's control that influenced the outcome. As with any development issue, there are many external and internal factors which impinge and influence the impact of and the outcomes of government and the private sector initiatives. The most noteworthy and significant recent external factor is the global financial crisis and the fall in oil prices and energy demand which has led to a reordering of spending priorities and a sizeable downturn in government revenues and impacted on private sector construction and activity. Despite the adverse economic climate the government has maintained the general level of recurrent expenditure over the short term and relied on its financial reserves to carry it through the downturn. The impact of the crisis has not as yet been discernable on the incidence of poverty or affected the government programmes which impact on poverty. The same applies to the progress on the review of or the strategy for municipal services. However the labour market has been affected with the number of foreign workers reduced especially in the oil sector but overall the impact has not been as severe as in some other Gulf countries.. The Saudization and labour policy focus remained unaffected, reflective of its long term nature. Over the longer term the government will have to impose restrictive measures on limiting the increase in the number of foreign workers as the economy picks up.

V.2.2 The key assumptions made and internal and external factors? The key internal assumptions with respect to the individual outcomes are as follows:
Poverty policy and sustainable development strategy. This is viewed, and rightly, as a longer term issue that can be tackled by selected intervention (social policy, welfare services, employment generation and poverty focussed programmes etc) in the areas of highest incidence. Despite the very low poverty incidence at the national level, it is assumed that with the appropriate corrective action and strategy, the incidence of poverty will continue to be confined to small pockets in the rural and urban areas.
For the labour sector policy, the key assumption is that the demand for foreign labour can be constrained over time without adversely affecting the economy's performance. This has yet to be effectively demonstrated especially given that the demand for specialist skills will increase as the economy diversifies.
On the provision of municipal services, the key assumption is that by upgrading services there will be a major improvement in the quality of life prospects for the poorest communities. This is not unrealistic but it has to be accompanied by complementary efforts and policies to improve the economic prospects for the rural areas. The success of the strategy will also hinge on improvements to municipal management and finances. This aspect is built into the MOMRA/UNDP project

V.2.3 The substantive design issues from the key implementation and/or management capacities to issues including the timeliness of outputs, the degree of stakeholder and partner involvement in the completion of the outputs, and how processes were managed / carried out?

The implementation of any policy or initiative intended to influence outcomes requires the collective endeavour and active participation of many stakeholders, including participation by the beneficiaries. The immediacy of tackling poverty in Saudi Arabia has been accepted by the Government and this is reflected in the stress placed on target 1 in achieving the MDG targets. The MDG Reports set out the action taken by government and the programmatic, management and complementary processes involved. For the labour policy, the specific measures involve the coordinated action of government (policy, instruments of control, guidance and implementation monitoring) and the private sector on the hiring of foreign workers. With the latter, greater attention needs to be placed on skills matching and a massive crash programme for Saudi skills upgrading at all levels in the public and private sectors. The Government's manpower policy and strategy recognises this and the considerable difficulties ahead in actually reducing the reliance on foreign workers and improving the functioning of the labour market.

The significance of the key role played by timeliness of outputs and the management of the development processes is recognised by all parties. In the context of the two projects, the juxtaposition of a range of outputs is achieved. In the case of the MOEP project, there are some 18 outputs, some of which are mutually reinforcing and others which are detached from the overall coordinated effort. IF possible there needs to be greater synergy between the various inputs and outputs and closer adherence to mutually reinforcing outputs and objectives. The MOMRA project has a clear set of linked outputs due to the linear nature of the activities.

V. 3 ASSESSMENT OF KEY UNDP CONTRIBUTIONS TO THE OUTCOME(S)

V.3 1 The relevance of the outcomes and the constituent components specifically for UNDP assistance.

The three sub-outcome areas identified in this review stand at the centre of UNDP's country programme which spans a wide range of initiatives. All of the substantive areas feature prominently in the Eighth and Ninth Development Plans and in particular the emphasis on addressing poverty (also featuring strongly in the MDGs) and the labour market objectives of reducing the reliance on foreign workers. The latter has been a long standing priority of the Kingdom and has challenged the Kingdom Government for the past two decades as it attempts to maintain economic growth and diversify into the non-oil sectors. The problem of regional imbalances, rapid urbanization and rural-urbanization is associated with the poor or inadequate provision of services in many rural areas. MOMRA has been attending to this problem through a systematic approach which involves a three phased solution, namely review of the level of services provision, design of a strategy and implementation and management of the requisite corrective action. It is apparent that there is close symmetry and agreement between the UNDP and the KSA Government on the importance of these three areas.

V.3 2 The relationship between UNDP funded constituent outputs and other interventions—including the outputs, programmes, projects and soft and hard assistance—and achievement of the outcome.

As already indicated, the attainment of any critical development objective in any context requires the complementary and coordinated effort of many players. The fact that UNDP has been requested by the Government to be a major player and partner in these endeavours testifies to the importance attached to their involvement. Quite apart from this close partnership, the volume and quality of outputs

achieved by the two projects most closely involved is impressive. The array of outputs delivered by (or closely linked to the inputs provided by) the MOEP project under the Umbrella Project three phases is summarised in **ANNEX aaa**. Possibly of greatest significance is the support provided to the preparation of the Ninth Plan, the LTS and the MDGs Report - which are closely linked to the construction of a poverty strategy and other poverty alleviating measures. The issue of labour mobilization, Saudi manpower training, and Saudiization is also featured prominently in the Ninth Plan. The technical support provided by the MOEP project has been a major factor in the drafting of the Ninth Plan. Likewise, the MOMRA/UNDP project is providing the essential technical support for the conduct of the initial stages necessary for the design and implementation of a strategy to improve and upgrade the level and quality of services in underprovided municipalities.

V.4 ASSESSMENT OF THE PARTNERSHIP STRATEGY

V.4.1 The UNDP partnership arrangements UNDP KSA's main partner and direct counterpart for execution of the Country Programme is the Ministry of Foreign Affairs (MOFA). It is indeed via MOFA that UNDP in KSA contacts and forms its operational partnerships with other government and non-government partners.

With regard to the specific outcome spheres under review, the two main cooperating government agencies are the Ministry of Economic Planning (MOEP) and the Ministry of Municipal and Rural Affairs. (MOMRA). In order to assist that the country achieves the MDGs and fulfil its commitments for the CPD, UNDP's above mentioned partnerships are strategic as they address all sectors of society.

V.4.2 The origin of the Partnerships The respective operational partnerships between UNDP and the cooperating ministries (as identified above) arose out of in-depth discussions between the two parties and are in accordance with the CP priorities. As with all UNDP projects in KSA, the project formulation exercise demands that the two parties engage in the necessary background reviews and the actual drafting of the project document requires the close involvement of the ministries concerned. In addition other stakeholders will be consulted during the formulation process. The partnership arrangements are approved at the highest levels in the respective bodies. From a wider perspective including the achievement of the outcomes, this requires the identification of the main actors and the forging of a constructive partnership or framework for cooperation. In the MOMRA project, the Municipality authorities are key partners in the execution of the survey work and the design of the ensuing strategy formulation and likewise in the implementation of the strategy for improved municipal service provision.

V.4.3 The contribution of the partnership to the achievement of the outcomes.. The value of any partnership resides in the clear understanding of the respective roles, responsibilities, strengths and weaknesses of each partner. In the case of the MOEP project, the Government (Ministry) has clearly stated its satisfaction with the special skills, technical advice and impartiality that UNDP has to offer. This mutuality of interests and intense cooperation has existed for many years and resulted in the support for the production of most of the major development documents over the years. As already stated, the UNDP advisors assigned to the project have been instrumental in supporting the production of a series of MDG Reports (which includes a strong poverty focus), the Eighth and Ninth Development Plans (which lay out the foundations of the poverty programmes, labour policy and support for municipalities), the Long Term Vision 2025 and contributing many other supportive

inputs to the MOEP outputs. Additionally, the wider country partnership of UNDP has been behind the production of the poverty strategy and other documents which contribute to the understanding of the nature and requirements for achieving the respective outcomes. The same applies to the MOMRA project which sets out the essential steps for programming the enhanced delivery of basic services to the disadvantaged municipalities. In conclusion, the UNDP partnerships with the two concerned ministries will be at the heart of the delivery of the respective sub-outcomes.

V.4.4 The level of the participation of stakeholders The principal stakeholders in the case of the poverty reduction and sustainable development outcome are the MOEP (design of the strategy) and the multitude of other stakeholders which includes both public and private agencies at all levels. This includes the social ministries (health), employment, etc, manpower, etc . Any progress attained is a collective responsibility and any positive result is obtained with the stakeholders sharing in this success. Likewise, the attainment of measurable progress in the labour sector can only result from the concerted action of a multiple of players and a multitude of layers. The major players are drawn from the private sector which is the major employer. For the municipal services improvement outcome, the active role of the municipal authorities is absolutely key.

V.4.5 The key beneficiaries and their major perceptions It is axiomatic that for the most balanced and user friendly outcomes, the beneficiaries (the poorest and most needy) should be involved and part of the consultative process on framing results and in implementation of interventions. Little is known of the perceptions of the beneficiaries in all of the outcome areas and this can be considered a weakness of the approach so far. This aspect needs to be addressed in the future design of the approaches adopted to achieving the outcomes. This is particularly important in the case of the provision of municipal services.

PART VI. CONCLUSIONS and RECOMMENDATIONS

This final section of the Evaluation Report summarises the lessons learned from the analysis of the performance of the two projects in terms of their contribution to the intended outputs/outcomes. Based on this, some proposals are made (next section) on the future orientation of the two projects if they are to achieve their desired results.

National Strategies and Government Mandates embodied in Vision 2025

Progress on sustaining the requisite governmental functions and activities in the stated areas A close examination of the performance of the projects under consideration and their contribution to the record of wider economic and social advancement in Saudi Arabia, shows that together they are taking the necessary measures to ensure sustainability of governmental functions and activities in their respective domains. Among the 20 UNDP projects ongoing in Saudi Arabia at the time of this report, two have been identified as the focus for the review of Outcome 1.

The Support for Policy Analysis and Strategic Planning (Phase 111) Project with the Ministry of Economy and Planning (MOEP) (2009-2011: \$XXX), in particular has, over the longer and medium term through previous and current phases, demonstrated that sound technical advice and in-house support has facilitated significant progress in almost all spheres of economic planning and the capacity of the MOEP to undertake this task. A key result under this output has been the design of the 9th National Development Plan (2010-2014) which sets

the vision for achieving sustainable development in the coming years. Other key results included support for the National MDG Reports and MDG costing analyses. Through the project, the MOEP has taken on board sophisticated and innovative analytical tools including quantitative GDP models and forecasts which have been used extensively by Saudi macro-economists and sectoral specialists in the design and formulation of the 9th Development Plan and overall national strategies. The capacity of the MOEP to undertake the necessary technical analysis underpinning the Eighth and Ninth Plans and the National Vision 2025 has been developed in the relevant areas under the Country Programme, namely pro-poor and sustainable development policies and ways to enhance the labour sector. This capacity is due, in no small part, to the provision by UNDP of more than 20 senior advisers engaged in all aspects of the programme. The dialogue between the UN advisers and the national officers has been an effective process with capacities developed for long term results.

With regard to the Output on Enhancing Public Service Delivery, a National Rural Development Strategy project has been formulated with the Ministry of Municipalities and Rural Affairs (MOMRA) (2009-2011; \$XXX). Launched in 2009, the project will provide high level technical advisers to help design a new National Rural Development Strategy to address the issues of human development and social equity in less developed provinces and remote rural areas.

In addition to these two flagship projects under CP Outcome 1, there are numerous other National Strategies being developed with UNDP support, under other CP Outcomes. These includes support for a new National Youth Strategy, a new National Spatial Strategy, WTO-Post Accession Strategies, National Climate Change Impact and Vulnerability Assessment.

Progress on Recruitment of Saudi nationals and personnel There is a need to revisit this area of the MOEP/UNDP project recruitment performance to ensure that more Saudi short term advisers/consultants are recruited and retained (in the MOEP), especially in the next phase where participatory and enhanced consultative processes are recommended. In addition it is recommended that there should be a greater emphasis on the engagement of Saudi experts in training workshops and other initiatives. The same reasoning applies to the MOMRA project.

Progress in maximizing to the greatest possible extent the Saudi determination of its economic and social policies and strategies. This aspect of the evaluation outcome has beyond any doubt been achieved in all substantive areas reflecting the greatly enhanced capacity of the Saudi national officers to exercise greater control over economic and social policies and strategies through the medium of the national plans, the Vision 2025, and the MDG supporting programmes.

VI.1 LESSONS LEARNED CONCERNING PRACTICES INVOLVED IN ACHIEVING THE INTENDED OUTPUTS/OUTCOMES

Definitional issues for the Outcomes The linkage of the outputs and inputs of the two UNDP projects with the respective outcomes remains somewhat problematic in the cases of poverty redressal and the labour sector. But with the municipal services it is relatively straightforward in the sense that the inputs, outputs and outcomes are logically and sequentially linked. It is clear that it is difficult to ascribe any measurable change in the incidence of poverty to any single intervention by the MOEP/UNDP project beyond strategising, programming and monitoring. In any event, the MOEP has made a major contribution to describing and analysing the poverty situation and in preparing the Poverty strategy and the MDG Reports and building these into the Eighth and Ninth Development

Plans. This has been successfully achieved and represents a major contribution to the poverty and sustainable development agenda.

With respect to the labour sector, the outcome is not clearly defined or measurable except in the crudest of terms – such as (say) the proportion of foreign workers in the work force.

Issues of quality and magnitude of training required for Saudis tend to be neglected, as are the strategic manpower options. Again the contribution of the MOEP/UNDP project is indirect in that in the Eighth and Ninth Plans the issue of Saudiization is central to the argument on the nature of growth as the country diversifies its economy.

In the case of the municipal public services provision, the relationship between inputs-outputs and outcomes is almost one-to-one. The outcome can be defined as a measurable improvement in municipal services provision and quality of life in deprived rural areas and the results and resultant outcomes assessed. These would include less rural urban migration and more balanced regional development, greater job opportunities, rising incomes with a narrowing of the gap between the urban and rural areas; etc

Problems of output and outcome measurement It would be more useful if the specific contribution (outputs) of the MOEP project (and the tasks of the individual advisers) in the case of poverty and labour are more precisely calculated. This has been achieved to some extent under the umbrella project, but the wider ramifications of both the poverty and labour sector initiatives need to be explored with the added advantage that the linkages to the outcomes become more apparent.

Linkages of outputs to outcomes A more one to one relationship between the MOEP project objectives and the project configuration is worthwhile examining so that the impact of outputs on outcomes is clarified. At present it is comparatively easy to indicate very positive *indirect* consequences for the outcomes of any initiatives by the MOEP. However the direct influences are less apparent and could be strengthened. This is a challenge for the next phase and will require close consultations between UNDP and the MOEP in the design of the project.

It could be worthwhile considering a change in the (UNDP) outcome scenario to allow this closer desired correspondence with greater emphasis (for example) on governance issues, plan management and implementation processes and the supporting environment for change in economic, social and sustainable development. For the MOMRA project, the problems are of a lesser order since the key to successful outcomes lies downstream in the implementation of the policy changes and effective administration and financing of services provision.

What project related practices are important Now that the UNDP/MOEP cooperation programme is approaching the end of its six year period, the opportunity arises to review the practices of the project during a period when plan implementation and follow-up is important. Increased attention to the definition of appropriate practices for the UNDP involvement with the MOEP would be valuable and a prerequisite for future involvement.

Critical and complementary roles to be defined for the MOEP and MOMRA contributions The complementary nature of the UNDP and MOEP staff inputs and other project activities need to be reviewed to ensure that there is closer symmetry and understanding of the unique roles that UNDP advisers are generally required to play. This includes mentoring and knowledge transfer with counterpart staff rather than straight forward technical line functions.

Closer correspondence between UNDP and Government practices priorities It is suggested that a dialogue needs to be renewed on the extent of divergence or correspondence

between UNDPs requirements for a project and what the Ministry wants it to do. This will allow a greater facilitative role for the Ministry to ensure a closing of the gap between the two positions. A workshop on the project practices, inputs, outputs and outcomes is called for prior to the commencement of the next phase.

Multiple outcomes - UNDP outcomes to be complementary with MOEP and MOMRA

While the UNDP Country Programme has defined the means of achieving Outcome 1 through the various outputs, focused on poverty and sustainable development and municipal public services, it is difficult to appreciate the essential linkages between the outputs and how they are integrated together in terms of the Saudi Governments priorities. It is suggested that some more coherent set of complementary modalities are derived for the future phase of the projects so that the CPD Outcome better matches the overall integrated National Vision 2025. As with any development issue, the solutions adopted are often found with multiple stakeholders and partners. In this case interaction between the MOEP and the MOMRA and other partners and stakeholders needs to be included in the mix of actions and outputs. This applies particularly to the pro-poor and sustainable development policies and the labour sector but rather less to the municipal public services provision outcome since their delivery is much more clearly a designated local authority responsibility.

Concerted action requires many development partners/players

As with any development issue, the solutions adopted are often found with multiple players or partners. In this case the need for some interaction between the MOEP and the MOMRA and other partners and stakeholders need to be drawn up and included in the mix of actions and outputs. This applies particularly to the poverty strategy and the labour sector but less to the municipal services project.

Need for follow-up implementation action

A key focus for the Outputs in the final years before the end of the CP in 2010 and 2011 will be to support the follow-up to the Ninth Plan. While current cooperation is not explicitly directed to the National poverty strategy, greater attention needs to be placed on ways to achieve the goals of the 9th Development Plan. The UNDP supported MDG report (2008) sets out some aspects of the follow-up agenda but this could be translated into more concrete proposals and tasks for the project advisers. In particular, UNDP and the Government have agreed to focus on the need to focus MOEP-UNDP cooperation on the Sustainable Development priorities of the 9th NDP including issues of clean energy while other projects will also support design of a new National Spatial Strategy, National Rural Development Strategy, National Youth Strategy, National Climate Change Impact and Vulnerability Assessment.

Greater appreciation of role of resource mobilization, policy dimensions

Any new initiatives at the national level requires resource reallocation or mobilization to ensure it obtains the necessary kick-start. Some aspects of financial and human resources management could be incorporated into the next phase as a point of departure.

Training and capacity development.

The role of the UNDP assistance has, for many years been ostensibly on capacity development and technical support. Innovative thought needs now to go into ensure that this aspect of the MOEP project is greatly enhanced in the next phase.

Continuing need for longer term perspectives

The clear linkage of the CP Outcome 1 to the National Vision 2025 strategy illustrates the long term nature of UNDP's development cooperation in Saudi Arabia having been present in the Kingdom since 1965.

Very rarely are quick solutions found to major development issues. Even more difficult to discern are the marginal impacts of individual actions on outcomes in these areas. It should be sufficient to demonstrate that outputs like the MOEP/UNDP project are focussing on the right problems and issues and are using its resources wisely to address these issues over the long term. With the MOMRA municipal public services project the focus, once the strategy phase is completed, is on the implementation with attention to the “least cost and value for money” criterion for rural and urban services provision.

UNDP/Ministry agreement on Strategic priorities A revisit will be necessary and a dialogue commenced before the next phase commences between UNDP, the MOEP and other strategic partners on the strategic priorities for UNDP cooperation. A wider remit on governance issues and plan delivery in the areas of economic, social and environmental development would be appropriate. ^{12/}

Positive elements of the UNDP-Government cooperation The CPD/CPAP documents note the lessons learned from past cooperation as follows: (a) Strong and long term UNDP-Government partnerships is a model that is working well in building national capacities, sharpening national priorities and goals and extending the benefits of highly specialized technical expertise and advisory services. (b) A core set of programmes focused on thematic practice areas aligned with, and supportive of, national development priorities is essential for optimal results. Programming flexibility should be maintained to accommodate emerging priorities. (c) National recognition of the value added by UNDP through its network of expertise and best practices and as a bridge to global experiences in technical and policy areas is important for continued positive UNDP impact. (d) The operational and implementation modality of national execution needs to be revisited with the aim of enhancing efficiency and speed of implementation. These observations would apply equally to the MOEP/UNDP project.

VI.2 STRATEGIES AND RECOMMENDATIONS FOR CONTINUED UNDP ASSISTANCE TOWARDS ACHIEVING THE OUTCOMES

GENERAL ISSUES

Cooperation under Outcome 1 should continue The clear message from this evaluation is that the UNDP cooperation has provided a most valuable role in guiding the economic and social development of Saudi Arabia. The MOEP project is uniquely significant in this regard and has been a flagship project with international recognition for many years. However as with any long standing partnership – it should be subject to in-depth internal review before the next phase commences. This could result in a refocusing of the efforts of the project and a new set of inputs, outputs and outcomes defined and drawn up. The dialogue and review necessary for the design of the next phase of the two projects should commence as soon as possible. To some degree, this Outcome Evaluation might be considered at a starting signal and first baseline input for this dialogue. With respect to the UNDP/MOEP project, the intensity of the assessment will inevitably be greater than for the MOMRA project which is only commencing in early 2010. The MOEP on the other hand needs to re-evaluate the broad focus of the current phase (2009-2011) alongside the inputs of the individual advisers and

^{12/} It is important to note here that there is a total of 24 UNDP projects in KSA covering various aspects of the ‘wider remit’ albeit under other CP Outcomes. It is necessary to note that this is underway under other outcomes as well as Outcome 1 under review

short term experts with a view to ensuring that they are delivering effectively. This is a normal practice at the commencement of any new phase of a major project and has been undertaken on many occasions in the past.

While no pre-conditions should be set on the nature or focus of the future UNDP-Government cooperation, the focus on pro-poor and sustainable development policies, the labour market and municipal services should not necessarily stand as sacrosanct or supreme, even though it clearly agrees with the focus for programming under the current Country Programme between UNDP and the Government. For the municipal services project which was only launched in late 2009, the effectiveness of the support to achieving Outcome 1 will be reviewed at the end of the CP, after 2011.

THE UNDP/MOEP COOPERATION FRAMEWORK – next phase

Possible new set of priorities While no pre-conditions should be set on the nature or focus of the future MOEP/UNDP project and the framework for cooperation, the tripartite focus on poverty, the labour market and for municipal services should not necessarily stand as sacrosanct or supreme. Already a new focus is emerging on sustainable development and Energy issues which will be widened and deepened in the next phase. For the municipal service project – where the tasks are clearly specified for the next 2-3 years – this review will be held when the current project comes to an end. For the MOEP project it could be argued that IF the focus on poverty and labour policy remains it could play a lesser role in the project and new areas could emerge, based on pressing economic and social development governance issues. These types of issues are emerging as critical areas as the nature of Saudi society changes and cultural norms are challenged.

Poverty specifics to be redefined – action based It is tentatively suggested that the remit of the UNDP/MEOP project with respect to the poverty agenda should focus more on practical issues of poverty reduction involving and working closely with the implementing ministries and agencies. This will allow the emergence of a more action-oriented line of technical support using the international experience of UNDP and other international partners in the region.

Reorient priorities of UNDP/MOEP project towards community driven and governance dimensions – wider social, economic and environmental perspectives etc Social and economic change on the scale being undertaken in Saudi Arabia is moving fast with inevitable tensions as a result. This is most evident at the local level (even municipality) or at the frontiers of change. The intensity and speed of change arises from a host of sources, including globalization, economic diversification, demand for improved services, social and economic justice and so on. Under these circumstances, the need to undertake development in a culturally sensitive manner becomes paramount if it is to lead to meaningful and lasting quality of life improvements. This suggests a more consultative form of development bringing local communities into the decision making process.

Prepare medium term action plan inc with MDGs at the center Over the medium term the guiding document for a number of the social and economic priorities will be the Ninth Plan and the MDGs, BUT they should not prevent other issues and approaches being considered. Ideally the MDG initiatives need to be melded into a wider economic and social agenda to ensure the sustainability of the results/targets. The substantive elements could be provided

by the Ninth Plan. This wider agenda will be a component of the dialogue on the future of the project.

Longer term perspectives based on the LTS Over the longer term the basic reference for the UNDP/MOEP is likely to be the LTS Vision to 2025. However even this document will doubtless be subject to revision over time. The LTS does not address development implementation, governance and sustainability issues to the extent necessary to prepare a new phase of the UNDP partnership with the MOEP so some thinking “outside the box” may be necessary.

Mobilize development success stories and case studies The possibility of garnering and building on a set of development best practice success stories in the Gulf region and elsewhere to provide the ingredients for a wider more dynamic and solid grounding for technical cooperation in Saudi Arabia could be considered. This could be a line of approach on new perspectives on economic and social governance for the next phase.

Review of international best practices The UNDP country office might consider bringing in an international expert (during the discussions on the future of the project) with wide knowledge of multi-sectoral technical assistance projects in the Gulf region OR wider sphere if considered appropriate, to review alternative configurations for the future project. All of which should be based on best practices considerations guided by both UNDP and MOEP priorities.

Developing inter-ministerial/inter agency governance models The next phase could start to examine how to strengthen the inter-ministerial approach where development requires strong cooperation between the MOEP and the development implementation entities. This applies to almost all development spheres and should of course focus on the top priority development issues of the Ninth Plan in addition to the MDGs and the LTS.

Redefinition of UNDP experts and short term experts roles The run up to the next phase of the UNDP/MOEP project could assess a more integrated role of the advisers (as recommended in the Review of the project in 2008) which would enhance their capacity development function. Likewise the ST consultants/experts remit should also be examined. Each ST expert would be required to have a training and capacity development/building element in their terms of reference.

Training and multi-sectoral appreciation aspects for integrated economic, social and environmental perspectives Given the multi-dimensional nature of development and the multi-entity implementation modalities which it requires, some new thinking is needed for bringing about a more holistic approach to UNDP support for the MOEP which cuts across the rather narrow and entrenched sectoral approach.

Overseas institutional and training visits to Gulf region and beyond Serious consideration needs to be given to instituting and carrying out a series of training based visits by senior MOEP officers to development organizations in the Gulf region and elsewhere to understand the options for a more integrated and governance (management) approach to plan implementation. This would be followed up by a technical in-house review of the findings based on the report on the individual missions/visits.

National workshops on poverty and deprivation, social, environmental and implementation issues Based on the development of a holistic agenda developed for

the next phase, it would be useful if a series of flagship workshops were staged on selected topics. These could be for local (including Gulf region) or international participation and based on the MDGs or other development priorities.

LABOR SECTOR POLICY AND STRATEGY

Who is responsible for labour policy and strategy - lead agency One of the problem areas with the execution of the labour sector component of the Outcomes agenda for the UNDP/MOEP project, is discerning which agency actually leads the development of the policy. Under normal circumstances it would be the Ministry of Manpower Development. The precise role of the MOEP in this area needs to be clarified and the UNDP/MOEP project reconfigured accordingly. Once these basic issues are clarified, there is a need to redefine who does what and then prepare an action plan with the relevant ministries. As already stressed, the solution to the problem of Saudization and the excessive reliance on foreign workers rests with and defining an operational and enforceable programme and set of targets over foreign labour employment over the medium/longer term.

Need to agree on feasible targets and implementation labour sector modalities As indicated above, without a feasible set of actions on the labour sector, it is unlikely that major inroads will be possible on the core problems. A more holistic and participatory approach between the public and private sectors which defines the necessary action and efficiency and productivity implications (along with other trade-offs) down to the sub-sectoral and even company levels is a possible way forward.

Private-public partnerships MOEP/UNDP cooperation could benefit greatly from a broader definition of the role of the private sector as the real time implementers of some important elements of the national policies and strategies. This might include such aspects as the legal basis for foreign workers recruitment and the linkages to immigration policy, enforcement and how the private sector would be consulted. Other significant modalities of UNDP cooperation with the private sector (national and local levels) in conjunction with local authorities could be usefully explored.

UN practice areas with respect to labour and manpower issues - In view of the specialist nature of dealing with labour sector issues, UNDP might consider the introduction of a co-share partnership agreement with the UN Specialized agencies most concerned with such issues. Prominent among these is the International Labour Office (ILO).

MOMRA and MUNICIPAL PUBLIC SERVICES PROVISION

Completion of the Municipal services survey and design of strategy The current UNDP/MOMRA project is on schedule to deliver the review, strategy and design of the cost effective municipal services programme - and as such it is essential to continue with the project.

Linkages to the national urbanization strategy - NSS A refinement of the UNDP/MOMRA project would include a greater degree of interface with other urban development initiatives such as the National Spatial Strategy (NSS) and ongoing municipal development programmes.

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ANNEXES

ANNEX aaa

UNDP/MOEP Project: Support for Policy Analysis and Strategic Planning in Saudi Arabia

The Umbrella Project (2005-2011) and phase 111 of the Project (2009-2011)

The current UNDP/MOEP project is the third phase in a six year umbrella programme of capacity building for the Ministry of Economy and Planning. Many of the features of the Third Phase of the Planning Ministry project are similar to the six year programme.

Programme description: Building on a legacy of technical cooperation between UNDP and the Ministry of Economy and Planning, the Policy Analysis and Strategic Planning programme has been instrumental in helping the Government in its reform efforts. This process of policy analysis and strategic planning has supported a paradigm shift from emphasis on GDP growth to a results-based orientation based on the goal of upstream development results, human development and the necessary infusion of greater productivity, technology and innovation.

Background to the Project Despite high levels of GDP and foreign exchange reserves owing largely to healthy oil revenues, the future holds many challenges for achieving and sustaining human development in Saudi Arabia. With a significant poverty rate, growing regional disparities, depleting oil reserves and increasing challenges from the process of globalization and social change, there are serious challenges to ensuring that the benefits of industrialization and development are shared broadly throughout the Kingdom and that adequate human capacities are developed to achieve long-term development goals.

For the past decade, UNDP has supported this goal through the establishment of a strategic think tank of international advisors in the Ministry of Economy and Planning where UNDP is leading international assistance to analyze challenges and opportunities towards the long-term goal of sustainable human development. In line with Saudi Arabia's Long-Term Strategy for 2025, UNDP has supported a series of well-targeted reforms in recent years towards economic liberalization to move the country beyond oil exports and build the human capacities for a future based increasingly on industrial and service sector employment. With one of the world's largest youth populations, this is a critical agenda to ensure a bright and prosperous future for the Saudi Arabia of the future.

Several challenges exist to attain and sustain Saudi Arabia's development results. (i) Achieving a diversified and sustainable economy which relies less on oil exports and engages global issues of climate change and environment; (ii) Capacities to ensure that growth proceeds with equity, with respect to issues of gender, youth and equity among regions; (iii) The need to build indigenous human capacities to lead and participate in new industrial and service sectors and thereby decrease reliance on foreign workers; and (iv) achieve stronger and more efficient results from public investments; more effective translation of national policies and public investments into human development gains through improved public administration and governance.

Objectives of the Umbrella Project The three major objectives of the SIX year Programme are (a) to build the capacity in the areas of economic and social policy analysis, sectoral and strategic planning, regional and decentralized planning and plan monitoring and implementation; (b) to integrate the various capacity building and support initiatives firmly into the institutional and organizational setting of the MOEP; (c) to conduct an effective and focussed staff training programme for Saudi nationals through the medium of special technical support facilities in the selected technical/substantive areas.

Outcome of the Umbrella Programme The stated (UNDAF based) Outcome of the Umbrella Programme (phase 111) is "...Adoption of National Targets for Poverty reduction and National Pro-poor policies that

support raising human development standards equitably in all regions and for all citizens.” The Phase II outcome was the “Adoption of national targets for poverty reduction; human and income poverty addressed in the national policy frameworks”

Umbrella Project and Phase 111 Specific Outputs The outputs of the umbrella project comprise (i) maintained strategic planning; macro and sectoral policy analysis, regional socio-economic planning and development; plan monitoring; This aims at building up the planning capacity of the MOEP in the main areas of economic and social policy analysis, sector, strategic and regional planning plan monitoring and implementation; (ii) operationalization of the institutional support facilities; This would be in institutional areas critical for the functioning of the MOEP including, strategic and regional planning, development plan monitoring and follow-up; Governance and Public Sector Performance Assessment and Evaluation; knowledge sharing; Human Development Report (HDR) and MDG – measurement, monitoring and reporting. (iii) capacity development programme updated and implemented. The main outputs include: increased emphasis on training activities for Saudi nationals; this would include: evaluation of needs and assessment of training and capacity building of MOEP; lecture series by planning experts; on-the-job training; delivery of a MOEP internship programme; study tours.

Three key outputs of the assistance to date have been:

- Economic modelling to recommend national development policies, from forecasts of fluctuating oil and gas prices and forecasts for public expenditures, to unemployment rates, inflation projections, population growth, trade liberalization following accession to WTO (supported by UNDP), as well as the impacts of negative external shocks such as the 2008-2009 recession and accompanying government economic stimuli.
- National MDG Report (2008) highlighting continued challenges to achieving and sustaining development results, and MDG Costing Analysis, identifying the domestic resources necessary to achieve various priorities under the MDGs
- Saudi Arabia’s 8th National Development Plan (2006-2010) and the 9th National Development Plan (2010-2014), focused on the priority issues facing the Kingdom in the final run-up to the MDGs and Saudi Arabia’s Long-Term Strategy.

At the outcome level, these interventions have greatly contributed to national reform efforts and sustainable growth of all sectors of the economy, and thus a tangible improvement in the quality of life among Saudi citizens over the last decade. UNDP helped build local capacities in economic and social policy analysis, sectoral and strategic planning, regional and decentralized planning, and monitoring and evaluation of development results. For the past decade, UNDP has been at the forefront of international cooperation with Saudi Arabia as it moved towards taking its place as the largest economy in the Arab world and the sole Arab member of the G20. As Saudi Arabia moves forward to address various development challenges, UNDP support has been critical in exploring local development challenges and sharing models of international best practice.

To address these challenges, there are three main outputs of the Umbrella programme and Phase 111 :

1. Supporting strategic planning, macro and sector policy analysis, regional socio- economic planning and development, and monitoring of development results.
2. Establishing a think tank of senior international advisors for provision of high level advice and international best practices on sustainable human development.
3. Capacity development for sustaining the ability of national partners to undertake and achieve human development oriented policy analysis and planning.

The project supports the training of national experts in policy analysis and sustainable planning. Emphasis is put on considering the demands and interests of all stakeholders and participatory methods that involve the business community, urban and regional institutions and the youth of society in the discussion of development planning. It also responds to the global recession in supporting Saudi Arabia in adapting its economic modelling and plans to respond to the new global environment.

Partners and their roles: Ministry of Economy and Planning: As the national executing agency. UNDP: Lead international agency, providing mobilization of resources and overall quality assurance for outcomes. UNDESA: Provision of international experts.

Programme status: The project is ongoing. Current Phase June 2009 to May 2011.

The programme scale level: The project has proved instrumental in forging and strengthening the link between national and local planning, with improved development planning in 13 provinces in Saudi Arabia.

**UNDP/MOMRA Project:
Rural Development Strategy Formulated - Saudi Arabia (2009-2011):
(Provision of Municipal Services)**

In the wake of the deficiency in service delivery in rural areas, and in order to better understand service delivery and municipal management at the local level the Ministry of Municipal and Rural Affairs (MoMRA) is undertaking a sector study on service delivery in rural areas, which aims at devising a strategy to improve service delivery and enhances the management capabilities of the concerned organizations. The findings of the study will be presented in a “National Workshop” intended to bring together all stakeholders and generalize findings.

The national Goal which the project addresses is: To enhance the standards of living and improving quality of life for all and in all regions of the country.

The Intended Outcome of the project (as stated in the Country Programme Document: 2007-2011) is “...to achieve national pro-poor policies that support human development standards equitably in all regions and for all citizens.”

Some important objectives that MoMRA hopes to achieve from this project are:

- reducing the gap in service quality and coverage between rural and urban areas;
- enabling each tier of municipal councils to provide a set of services consistent with its capacity;
- achieving all the above in a manner that is fiscally neutral with regard to the national budget.

The government requested the UNDP to commence preparation of a strategy to enhance development in rural areas, based on the findings of the study with the aim of providing support for planning and service delivery at the municipal level.

This potential operation is seen as a critical step towards a long-term comprehensive municipal development program ultimately aimed at an equitable improvement of the living conditions throughout the country, with a particular focus on the most underserved areas. The project is proposed, which represents a vital first step towards establishing a sector framework to enable the achievement of the country's long-term objective of improving the delivery of services at the local government level (with a particular focus on the under-served), bringing about development to rural areas, and enhancing the rural-urban integration. Within a short- to medium-term time frame the project would focus on the municipal council as a basic unit for local development by strengthening its capacity to deliver services in a sustainable, transparent, efficient and equitable manner.

Specifically, the project would result in:

- Increased coverage and quality of municipal service provision, e.g. roads, solid waste management, street lighting, plantation and environmental health, with particular emphasis on addressing deficiencies in under-served areas;
- Strengthened municipal capacities to manage and deliver municipal services efficiently, equitably and in a prioritized, planned and participatory manner.
- Restructure the municipal organizations in rural areas to create a more effective institution that is effective and efficient.

Main Project Components

1. Municipal services assessment and investments: The objective of this component would be to improve the provision of municipal services through investments in infrastructure and equipment to strengthen service delivery, with a particular focus on under-served/rural areas to be selected on the basis of agreed priority criteria. These criteria will be identified by reviewing the current municipal classification system, which is mainly based on administrative/population considerations, and introducing new physical and socio-economic dimensions. Through this component, the use of municipal management strategies/plans will be introduced, together with methodologies for participatory planning and implementation at local level. Whenever feasible, public-private

partnerships for the provision of municipal services will be supported, depending on the capacity and readiness of the individual municipalities. This component entails a full assessment of the current conditions of service delivery in rural areas.

The following tasks are identified in relation to the above:

Task 1: Municipal Service Needs

This task is intended to assess the service need in rural areas through an investigation of the current situation of service delivery. In particular, the following sub-tasks are to be performed;

1. Conduct a baseline survey of the sample municipalities recording their current status in terms of service delivery.
2. Develop a methodology to identify service needs at the municipal level.
3. Estimate the service needs at the municipal level grouped into types. The estimate shall be based on available information and the information generated by the baseline survey.
4. Prioritize municipal investments based on the methodology as discussed and agreed with the government
5. Identify an over-all package of service investments to be implemented in municipalities. This would be based on the general information collected in the baseline survey and the detailed information collected from the sample information.
6. Prepare a priority list of service delivery and undertake development costing. The list shall identify the projects and their cost estimates.

Task 2: The State of Municipal Management

This task is intended to assess the municipal management, focusing on the quality of performance in a select range of services at the municipality level. In particular the following sub-tasks are entailed in this task;

1. examine the municipal capacity to manage service operations and maintenance in terms of human and financial resources,
2. examine the current capacity to manage integrated planning (spatial, financial, strategic) at the municipal level
3. outline the main challenges facing municipalities as they perform their different urban management functions and identifies their weaknesses and strengths,
4. examine the existing municipal classification system and provide suggestions for revision. The assessment should lead to setting up a new system that takes into account physical and socio-economic criteria.
5. identify sample municipalities, based on the proposed classification system. In particular, the Consultant shall perform the following tasks:
 - a. examine the monitoring, evaluation and reporting mechanisms and propose ways to enhance them.
 - b. propose ways to enhance the managerial and organizational related knowledge and the abilities of administrative and elected personnel.
 - c. propose ways to make the organization structure more effective
 - d. examine the level of transparency and existing mechanisms for upward (to central government) and downward (to local constituency) accountability.
6. in consultation with Local Authorities and Communities, propose management restructuring of administrative and operational procedure based on the new classification of municipalities. The proposal shall specifically address any problem that might exist in the existing procedures including the possible problems of lack of management and financial autonomy, lack of enforcement capacity, lack of skilled labor, etc.
7. identify training needs at the municipal level and propose training programs
8. examine the existing capacity to collect data and conduct M&E and propose key indicators and ways of enhancement.

Task 3: The Institutional, Legal and Regulatory Framework.

The Consultant shall examine the institutional arrangements that regulate the municipal sector and propose a strategy to optimize those arrangements. In particular the Consultant shall:

1. examine the current legal and regulatory framework of the municipal sector,
2. examine the existing procedures of planning and implementing service provision, including steps and time-frame that are required and laws and regulations that govern those procedures. Outline the main constraints and weaknesses of these procedures and propose revision.
3. examine the roles and responsibilities of the key organizations involved in delivering services with an identification of strengths and weaknesses of the system and recommendations for improvement,

4. examine the specific roles of the Ministry of Municipal Affairs (MoMA) and the municipality. A full assessment of their current stances and the distribution of their roles as actors in the municipal sector would be covered within this task. Moreover, an overview of the relation of these organizations to the end user (the people) is required as well,
5. assess the Central-Local governments' relation. In this assessment, the Consultant shall specifically
 - a. review the various procedures of municipal work and identify the various opportunities available for, and constraints placed on, municipalities
 - b. address issues like coordination among, and within, the various organizations and the multiplicity of authorities,
 - c. examine in particular the relationship between municipalities on one side, and MOMA and how this relationship would be affected by the proposed restructuring process of these administrative units,
 - d. examine the legal and institutional systems that govern the central-local relation, identifying their strengths and weaknesses,
 - e. propose revisions that would enhance the intergovernmental relations.
5. Propose a strategy to enhance the roles of the various organizations working in the municipal sector. The strategy should propose mechanisms that provide municipality with authority and ability to design and manage service delivery.

Task 4: Private Sector Participation in Service Delivery

Examine a range of private sector participation options available for infrastructure and service delivery and the collection and mobilization of financial resources. The options of service contracting, management contracting, financial service, licensed private subscription, and concessions shall be included. The study should take into account the existing capacity of municipalities and examine the comparative advantages of engaging the private sector. The study shall propose the venues of participation that can be available for the public sector.

Task 5: Propose venues to be explored in terms of Capacity Building

Propose programs to strengthen the capacities of local administrations to meet their core functions of service delivery, budgeting, planning, administration and citizen outreach across the range of sub-national government functions. These activities include building the capacity of local administrators to manage relief and reconstruction as well as building their capacity to interact with other levels of government. Particular attention shall be given to the capacities for providing services to women and at-risk populations.

2. Regional strategy development:

This component would include studies, workshops, preparation of discussion papers and other learning exercises intended to strengthen regional planning and ensure effective linkage and coordination among municipalities in their development planning efforts. It would support and expand upon ongoing work of the Ministry of Municipal and Rural Affairs (MoMRA) and would explore current institutional arrangements, including legal frameworks and regulatory assignments regarding regional planning, and develop options for consideration to realign and improve regional and local government coordination. It will also explore potential rural-urban linkages with the aim of identifying pilot activities to foster local development, including projects of a small-scale nature that could be scaled-up and supported in a future lending operation.

3. Capacity building and institutional reform:

This component would aim to build/strengthen the capacities of key stakeholders that play a critical role in the achievement of the project objectives. At the municipal level, support could be provided to further strengthen municipal management; capacity development; fostering private-public partnerships; integrated spatial and strategic municipal planning; and data collection and analysis. At MOMRA level, support would be considered to strengthen sector monitoring and related systems, and to develop capacity to improve the effectiveness of MOMRA operations. This component also includes assessment the current organizational structure at the municipal level and provision of a more effective/efficient structure. In the process, the central-Local government relation/cooperation will be investigated with recommendations for enhancing this relation.

The proposed project comes at a juncture particularly conducive to positive change, reflected by the fact that the Government has clearly placed a high priority on Municipal Development and requested the UNDP to provide the necessary support for the preparation of a strategy to enhance service delivery. The project entails carrying out a study to define the modalities for an in-depth assessment of service needs at the municipal level based both on available data and on data generated through a baseline survey conducted in a representative sample of

municipalities. In addition, the study proposes a sub-set of municipal service investments in targeted municipalities.

Objectives Based on the components of the project, highlighted above, a set of objectives can be laid out:

1. To identify service needs in terms of coverage and quality at the municipal level
2. To examine the institutional dimension of the design and management of municipal service delivery
3. To develop a methodology to identify investment priorities which uses participatory/consultative approach and takes into account economic, social, environmental, technical and financial factors.
4. To prioritize municipal service investments based on the methodology discussed and agreed with the Government
5. To develop project development plans
6. To propose sectoral indicators for a re-classification of municipal areas
7. To evaluate the feasibility of a sub-set of municipal service investments in targeted municipalities to be selected on the basis of the new suggested criteria.

Identification of Lessons learned for UNDP projects in this interest area

- Need for a Sustainability Plan for continuing projects

THE LONG TERM STRATEGY (LTS) AND VISION 2025

The NLTS was issued in conjunction with the Eighth National Plan 2005-2009. The core national issues identified to 2024 were

(i) Raising Standard of Living and Improving - Quality of Life. This requires at least doubling per capita income of Saudi citizens and enhancing other indices of human-resources development, under circumstances of relatively high, though diminishing, rates of population growth. An equally important objective, however, is tackling poverty and guaranteeing that all social groups share in the benefits of growth and improvement of the quality of life; which is a priority for the Eighth Development Plan.

(ii) Achieving Sustainable Development. In view of the complex socio-economic factors involved, achieving sustainable development is a multi-dimensional challenge, the most significant dimensions of which are the (a) Diversification of the Economic Base into high value added production activities in the non-oil sector; (b) reducing the dependence on oil revenues by expanding non-oil revenues; (c) Development and Productive Employment of Human Resources. Human resources indicators of the Kingdom point to the remarkable progress achieved during the last two decades through expansion of education and training capacities in all regions. However, requirements of the development process exceeded supply of suitable national manpower in many areas; necessitating recruitment of foreign labor, which has, in turn, made Saudiization of the workforce a continuing challenge. (d) Sustainability of Natural Resources. (e) Balanced Regional Development Due care has been exercised in providing infrastructure and public services to all regions, achieving very high coverage rates. There are, however, disparities in economic activity that have encouraged internal migration from rural to urban areas. The consequent immense increase in city populations and the huge geographic expansion of the cities has put their services and facilities under substantial pressure. Restoring regional balance is, therefore, one of the major challenges to sustainable development, calling for stimulation of economic activity in the least developed regions, with due consideration to their particular characteristics and comparative advantages.

(iii) Enhancement of Competitiveness; and

(iv) Regional and Arab Integration

THE UNDP COUNTRY PROGRAMME – SELECTED SECTIONS.**Country programme document for Saudi Arabia (2007-2011)****Section II. Past cooperation and lessons learned**

11. The previous CCF covered the period 2001-2005 and was designed to include two major areas of focus: (a) Globalization and public sector reform; and (b) Building national capacity for sustainable economic and social development. A review of the CCF pointed to the achievements and lessons described below.

12. The long term partnership between UNDP and the Ministry of Economy and Planning (MOEP) has contributed to building national capacities, further sharpening the goals of the eighth national plan and bringing about a balanced mix of economic, social and environmental goals in the long term vision for 2025. The contribution of long term advisory services in the preparation of the first national human development report and the two National MDG reports, combined with UNDP advocacy on those issues, resulted in the integration of the MDGs in the eighth plan and its programmes. That cooperation has also highlighted the challenge of providing national statistics to United Nations organizations for use in global reports and analyses – a challenge which both UNDP and the Government intend to address in the next cycle.

13. In the framework of globalization and public sector reform, tangible achievements included policy advice and technical support provided to the National Team assigned to negotiate accession to the WTO, which set the stage for the coming phase of UNDP-Government cooperation in post- accession economic and social development.

14. Strong and focused leadership by the Ministry of Foreign Affairs (MOFA) supported by specific UNDP advisory and technical inputs has allowed the Ministry to become more efficient and cost-effective. UNDP provided substantive advisory services in the design and implementation of organizational restructuring at the Ministry and at some of its embassies abroad. This cooperation also reinforced the Ministry's internal capacity building efforts and strengthened the Information Technology Platform of the Ministry, earning it the Middle East prize for the best 'e-government' portal for 2005.

15. Newer areas of partnership include the Municipal Urban Observatory of Al Madinah; support to the National Human Rights Society; support to Supreme Council of Tourism; and support for the municipal elections. These partnerships, although limited in budgetary terms, led to very positive results. Their focus on short term and high level consultancy missions proved very useful. Widening the circle of stakeholders to include the private sector and civil society has been a welcome new approach in these partnerships. Lessons learned from these initiatives should help in designing new initiatives in support of decentralization, urban development management, diversification and local participation.

16. Partner government agencies believe UNDP should extend its support beyond financial management to the active use of the international experiences of its network of country offices and expertise around the world. The source of expert consultants should be extended to also include the United Nations specialized agencies.

17. Programme implementation in the previous cycle indicated unnecessary operational and administrative delays, possibly due to the current interpretation of the national execution modality. Therefore, this modality should be jointly revisited for clearer identification of responsibilities in order to enhance implementation efficiency and speed.

18. The lessons learned from past cooperation can be summarized as follows: (a) Strong and long term UNDP-Government partnerships is a model that is working well in building national capacities, sharpening national priorities and goals and extending the benefits of highly specialized technical expertise and advisory services. (b) A core set of programmes focused on thematic practice areas aligned with, and supportive of, national development priorities is essential for optimal results. Nevertheless, programming flexibility should be maintained to accommodate emerging priorities. (c) National recognition of the value added by UNDP through its network of expertise and best practices and as a bridge to global experiences in technical and policy areas is important for

continued positive UNDP impact. (d) The operational and implementation modality of national execution needs to be revisited with the aim of enhancing efficiency and speed of implementation

III. Proposed programme

19. The proposed programme constitutes a flexible partnership between Saudi Arabia and UNDP and is anchored in the overall development priorities of the country, as outlined in the eighth development plan. The plan recognizes challenges that it intends to address, including greater diversification of the sustainable base of the economy, enhanced efficiency of the public sector and the full participation of youth and women in socio-economic progress. The plan's overall objectives aim at enhancing the living standards of Saudi citizens by increasing their livelihood opportunities through entrepreneurship, investment and employment, and at maximizing the benefits from the current growth trends and the integration into the global economy. Moreover, the country believes it has a regional and global responsibility and has a substantial official development assistance (ODA) programme that benefits poorer countries.

20. UNDP will support increased public investments in infrastructure, capacity and institution building, higher education and information technology, in strategic and focused areas where the impact could be high in terms of enhanced living standards for all citizens. UNDP will optimize its assistance by making use of its global and regional resources, expertise and best practices. In particular it will establish linkages to the Regional Bureau of Arab States regional programmes in the areas of trade, economic growth, public sector modernization, HIV/AIDS, youth and women. Where requested, UNDP will also assist the Government in carrying out its regional and global commitments through enhanced partnerships including a Saudi junior professional officer programme and alignment of Saudi ODA with the MDGs.

21. The proposed programme supports social, economic and institutional development plans in line with the UNDP mandate, with a special focus on helping the Government maintain the human dimension central to the development process. Five specific outcomes have been identified:

A. Improving quality of life for all

22. Saudi Arabia is confident that it will meet its MDG obligations by 2015, and in supporting this orientation UNDP, in collaboration with key institutions such as MOEP, Central Department of Statistics (CDS) and MOFA, will assist the Government in widening its policy options and in exploring new ones, including on population and MDGs, through a number of national reports that regularly inform the planning process and decision making, including NHDRs, MDG reports, and specialized economic reports.

23. Furthermore, UNDP will help MOEP in meeting its goal of social cohesion and poverty reduction by designing and recommending a set of pro-poor policies and programmes for MOEP and other key institutions.

24. Finally, UNDP intends to work with Saudi Arabia to strengthen its capacity to manage the environment through a number of policy options, including the areas of water resources management and energy efficiency. UNDP will also provide technical expertise to assist the country in meeting its global environmental commitments and reporting.

B. Strengthened and diversified economy benefiting all Saudi citizens

25. Saudi Arabia aims to ensure that future growth will continue to be sustainable, benefiting all citizens, maximizing its integration in the global economy and making full use of its recent accession to the WTO. Therefore, the Government intends to enhance the competitiveness of its economy, expand trade, encourage domestic and foreign investments and explore new sectors for added investment, such as the knowledge and information technology sectors.

26. The Government has already mandated a number of institutions including the Saudi Arabian General Investment Authority (SAGIA), MOEP, and the Ministry of Commerce and Industry (MOCI), to introduce policies and programmes to advance the agenda of economic diversification, sustainability and growth. A significant investment in capacity and institution building has already been undertaken and plans for continued investments are underway.

27. UNDP intends to support the attainment of these goals by proposing policy options and by assisting in further strengthening national capacities in each of these domains: (a) trade promotion; (b) increased domestic and

foreign investments; (c) strengthened competitiveness; and (d) exploring new investment options including in science and technology and the knowledge economy.

28. It is intended that these policy options and the strengthened capacity will positively impact the largest possible number of people throughout the country, through value-added investments, jobs and enhanced livelihoods.

C. Enhanced public sector performance

29. In response to increasing demands on the quality and quantity of services from a modernizing society with growing expectations, the Government of Saudi Arabia has been developing its administrative and institutional systems and restructuring its public agencies, thus enhancing service delivery and rendering it cost-effective not only at the central level, but in all regions of the country. In this effort the Government intends to make best use of modern management techniques, and information technology such as e-government.

30. In particular, UNDP will assist the Government by providing recommendations for a more effective alignment of mandates and structures in a few pilot units. It will provide options for enhancement of service delivery at the central, regional and local levels, and will also propose guidelines that would help one pilot government institution in assessing its own performance. Finally, UNDP will help the Government replicate and scale up its highly successful experience in e-government in the Ministry of Foreign Affairs, which was jointly developed with UNDP.

31. It is expected that these efforts will also have a positive impact on a larger number of citizens through enhanced service delivery at the local level.

D. Enhanced partnership for development

32. The Government has long recognized the role of the private sector as an important partner in expanding wealth and benefiting all citizens. Governments across the world are acknowledging that the private sector and civil society are also viable partners in service delivery and in the overall development process. In recognizing this, the Saudi Government has been expanding its own partnerships and encouraging the creation, and wider participation, of civil society organizations and those representing the private sector, in socio-economic development undertakings.

33. In supporting these public-private partnerships and in promoting greater participation in the development process, UNDP will assist the Government in further strengthening the participation of the private sector and civil society in such areas as wider access to anti-retroviral (ARV) drugs for HIV patients, enhanced HIV related national health planning and expanded participation in MDG-based programming. UNDP will bring to bear its coordination and partnership experience to optimize the benefits from these planned activities.

E. The role of women and youth in national development

34. Recognizing the importance of the effective participation of an increasingly young and educated population in the development process, the Government accorded them special attention in the eighth national development plan. The plan also recognizes the importance of the increasing role of women, especially in the private sector, in creating wealth and positively impacting societal growth. The plan seeks to increase the participation of these two groups so as to ensure their full contribution to society and to ensure their full inclusion in development policies, strategies and programmes.

35. In support of this approach, UNDP will assist the Government by helping in the formulation of a draft youth strategy for consideration and implementation by the relevant national authorities; as well as increasing the representation of Saudi youth in the international arena. UNDP will also contribute by building capacities of women and youth for a more effective participation in societal growth through training of trainers, workshops and programmes benefiting women from all sectors of society including rural women. Additionally, UNDP will work on increasing the awareness of its staff and partners on the importance and process of effective gender mainstreaming into programming.

Annex: Results and resources framework for Saudi Arabia (2007-2011)

National goal: To enhance the standards of living and improving quality of life for all and in all regions of the country.					
Programme Component	Country programme outcomes	Country programme outputs	Output indicators, baselines and targets	Role of partners	Indicative Resources/Goal
Achieving the MDGs and reducing human poverty – pro poor policies and sustainable development	National pro-poor policies that support raising Human Development standards equitably in all regions and for all citizens. Baseline: Regions are at differentiated levels of development, poverty not fully defined and poor unclearly identified. Target: National plans reflect human development dimensions, regional plans reflect targeted development investments and segment of the poor identified and targeted with policies and programmes.	Strategic and key Human Development recommendations through key analytical studies and reports on the MDGs, National Human Development, Economic development, and Statistical reports	Indicator: Quality, number and regularity of studies and reports. Baseline: studies are irregular and not always focused on Human Development. Target: Regular publication, dissemination and discussion of key top quality reports.	MOEP (Nat'l plans) CDS (Data support) MOFA (Coordination) Relevant private sector and CSOs (Input and resources)	\$7,500,000
		Pro-poor policy recommendations produced in areas of local development, population, social development, among others, and translated into programmes and projects targeting the poor and regions in need of focused attention.	Indicator: Quality and number of policy options introduced Baseline: Elements of potential policy are available but not in a full fledged coherent national policy. Target: Final policy options and programmes produced.	MOEP (Nat'l plans) MOSA (Implem.) MOMRA (Implem.) MOFA (Coordination) Relevant private sector and CSOs (Resources)	
	Sustainable environmental policies and programmes including in the areas of water, energy efficiency and climate change. Baseline: Water and energy considerations in national planning are short term. Only one national climate change report produced Indicators: Water and energy strategies integrated in national plans.	Water resources management strategy New energy efficiency policy options Second National report on climate change	Indicator: Quality and number of policy options introduced Baseline: Elements of policies available in a dispersed manner. Target: Strategies and policy options produced. Report submitted to UNFCCC.	Presidency of Meteorology and Environment MOWE (Coordination) ARAMCO KACST Universities (Experts)	
National goal: To optimize the benefits of globalization by improving the productivity of the economy, diversifying its base especially into R&D and strengthening its competitiveness.					
Achieving the MDGs and reducing human poverty – Globalization benefiting the poor	Enhanced employment opportunities and overall economic performance through increase in foreign and domestic direct investment, strengthened competitiveness and diversity of the national economy in the knowledge sector among others Baseline: Economic and Institutional frameworks not fully utilizing global integration opportunities in favor of SME promotion and sustainable employment creation. Target: National policies more conducive	I - Policy options to: 1) Promote increased trade in line with Saudi commitment to WTO. 2) Strengthen legal, fiscal and monetary frameworks in support of higher investments. 3) Support diversification of the economy through identification of sectors of potential high competitiveness and positive impact on Saudi economy, incl. Science and Technology	Indicator: Quality and number of policy options introduced Baseline: Present policies not set to benefit from global economic integration. Target: Three sets of policy options one for each trade, investments and competitiveness.	SAGIA MOCI Chamber of Commerce and Industry (Coordination and implementation partners)	\$12,000,000
		II - Institutional Capacity-building in: 1) Trade policies formulation and implementation 2) Investment promotion, bilateral	Indicator: Number of units strengthened. Baseline: Current institutions not sufficiently exposed to global integration challenges Target: 4 Key institutions		

	to higher investments especially in SMEs, R&D and knowledge sector, enhanced competitiveness and productivity and long term sustainable employment.	investment negotiations and enhanced competitiveness profile 3) Removal of barriers to FDI with a focus on knowledge and technology transfer	and 200 officials able to articulate policies, undertake analysis and carry out negotiations		
National goal: Enhancing the performance of the public sector					
Public administration reform and local administration	Public institutions at the national and regional level more capable to respond to citizens needs in quality and effectiveness of services. Baseline: Quality service delivery is challenged by population growth and regional development Target: Service delivery standards in quality and quantity set and met in targeted institutions.	Recommendations for realigning selected line ministries and new public commissions to meet their mandates (MOEP, MOMRA and the Saudi Food and Drug Authority as pilot projects)	Indicator: Quality and number of Recommendations produced Baseline: New and emerging institutions adapting to expanding mandates Target: Recommendations for 3 pilot institutions	MOFA (coordination and best practice) MOEP (Nat'l plans and coordination) MOMRA SFDA MCS HCAR MOT Hail (Implem. partners)	\$7,500,000
		Options for enhancement of service delivery at the central, regional and local levels (MOMRA, regional commissions, MOWE, MOEP, Ministry of Transportation-MOT)	Indicator: Quality and number of options produced Baseline: Demand for quality services is increasing Target: Options for three pilot institutions		
		Guidelines on assessment of performance of public sector institutions produced for one pilot unit.	Indicator: Quality of guidelines produced Baseline: performance assessment not fully systematic. Target: One pilot set of guidelines		
		E-government experience in MOFA documented and scaling up and replication plans made available to selected institutions.	Indicator: Quality of replication and scaling up plan. Baseline: Not all Government services are accessible online. Target: One set of replication and scaling up plans		
National goal: Enhancing partnerships for development in responding to social challenges					
Responding to HIV/AIDS role of development planning and the private sector	Enhanced National capacity to address HIV/AIDS issues including access to ARV drugs, awareness, capacity building and partnership. Baseline: Full potential of private public sector collaboration in addressing HIV aids is not exploited. Target: Quality of national capacity to address HIV/AIDS issues is improved through awareness, funding for programmes and partnerships.	Framework for partnership between private hospitals and the Ministry of Health (MOH) for increased access to ARV drugs, capacity building and information exchange developed and implemented.	Indicator: Quality and effectiveness of framework and number of partnerships established. Baseline: None exists. Target: Three partnerships.	MOH (coord.), MOE (awareness), PYW, MOFA (coord.), Private hospitals (implem.)	\$9,000,000
		Evidence-based and participatory planning mechanisms including monitoring and outreach programmes proposed and conducted.	Indicator: Quality of planning mechanism and number of outreach programmes. Baseline: Limited outreach programmes. Target: Annual awareness campaign held and hotline established	MOH (coord.), MOEP (Nat'l plans), CDS (data), MOFA (coord), MOSA	
		Private sector partnerships forged for capacity building and increased programme funding.	Indicator: Number of programmes adopted by the private sector. Baseline: Limited and non-coordinated programmes Target: Three programmes funded by the private sector through UNDP.	MoFA (Coord.), various ministries, UN agencies (expertise), Private Sector companies, CSOs (Resources)	
National goal: To enhance the role of women and youth in national development					
Achieving MDG goal 3 and women	Enhanced participation of the youth and women in national development	Specialized training workshops for women and youth, capacity	Indicator: Numbers of national trainers and workshops held.	MOEP, MOFA, MOSA, MOE, MOH,	\$8,000,000

and youth participation in the national development process	through national strategies, policies and programmes targeting them. Baseline: Full capacities and skills of women and youth is underutilized by society. Target: Higher participation of youth and women in the labor market. Increased employment by 5% of both categories.	building and training-of-trainers programmes introduced and implemented.	Baseline: Limited accessibility to training. Target: 50 national trainers certified - 6 workshops held annually (on leadership and job preparedness).	MOMRA, PYW, SAGIA, CSOs, NGOs, Private sector, Universities and schools (Coordination and implementation)
		Strategy for Gender mainstreaming into programming developed and implemented with the involvement and ownership of national partners.	Indicator: Strategy for Gender mainstreaming into programming finalized Baseline: 1 project genderized Target: All projects audited and gender sensitized; Staff and partners familiarized with gender-sensitive budgeting and mainstreaming	
		Mechanisms for promoting SMEs through youth development funds. Partnerships with donors and advocates forged.	Indicator: Youth Development Fund established Baseline: Limited private sector funding available for SMEs Target: At least 50 SMEs funded	
		Strategy for youth development produced and related programmes developed and implemented.	Indicator: Quality Strategy paper Baseline: Chapter on Youth included in the 8th national development plan. Target: National Youth Strategy produced	

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