



**Outcome Evaluation
UNDP Support to Saudi Arabia in the Area of Energy and Environment
(2007-2010)**

(October, 2010)

EXECUTIVE SUMMARY

1. The main purpose of this evaluation, scheduled towards the end of the current programming cycle, is to assess the role played by UNDP over the period 2007 – 2010 in strengthening the capacity of Saudi Arabia to manage the environment through a number of policy options in the energy and environment sector as well as assisting the country to meet its global environmental obligations.
2. In addition to analysing the contributions that UNDP has made to the energy and environment-related outputs under Outcome 1 of the CPAP, the evaluation aims to assess whether the UNDP strategy has been effective and if any adjustments are needed to maintain or improve the relevance of UNDP's intervention. The results of the evaluation will be used to assist in guiding future programming and in the formulation of the relevant outcome and outputs in the new Country Programme (2012-2016).
3. The methodology used for the evaluation is based on the indications contained in the terms of reference and follows current UNDP guidelines for outcome evaluations and monitoring & evaluating for results.

THE DEVELOPMENT CONTEXT

4. The Kingdom of Saudi Arabia has one of the fastest growing populations in the world, reported to have grown from 7.3 million in 1975 to 25 million in 2004, and annual growth rate of 3.0%. The population is also very young, with 73% of the Saudi population below 30 years of age and 45% below 15 years of age. Demographic factors therefore have direct effects on projections for the economy and the needs for housing, employment, social infrastructure and for the provision of water and other basic services.
5. The Strategic Vision 2025, which provides the framework for successive five year plans to 2025, was first elaborated as a long-term perspective on development in Saudi Arabia as part of the Eighth Development Plan (2005-2009). This vision of the Saudi economy sets out a wide array of long term national development objectives, addressing dimensions other than the economic, in the belief that human development also encompasses social and cultural dimensions.
6. The government has adopted and signed almost all the major international conventions relating to the environment and social advancement and has subscribed to the fundamental objectives of the Millennium Development Goals (MDGs) which include a commitment to reduce environmental degradation.
7. UNDP's current Country Programme (2007-2011) constitutes a flexible partnership between Saudi Arabia and UNDP and is anchored in the overall development priorities of the country. In the area of energy and environment, the UNDP Country Programme intends to address several challenges recognized in the national development plans by strengthening Saudi Arabia's capacity in the areas of areas of water resources, sustainable energy, climate change, biodiversity conservation and urban planning.

FINDINGS AND CONCLUSIONS

Status of the outcome

8. Overall rating. Positive change has been recorded towards the achievement of Outcome 1 as presented in the results framework of the current CPAP (2007-2011) but based on an assessment of current trends and delivery rates it is considered unlikely that targets will have been fully attained by the end of the programming cycle. Several specific targets assigned in the CPAP are likely to be attained by the end of the current programming cycle but this will need to be further verified in 2011 for some key elements unavailable at the time of the current evaluation are due to be completed, namely the national water strategy, the second national communication to the UNFCCC and the national biodiversity action plan. On the other hand, based the evidence presently available, it would seem that several other targets set for the current programming cycle are unlikely to be attained, particularly with regards to the environmental master plan for the city of Jeddah and national policies in the areas of water efficiency and the clean development mechanism.

9. Saudi Arabia is progressing rapidly towards some of the key energy and environmental targets set out in the country's successive development plans, with UNDP consistently playing a significant advisory and policy support role. Presently, however, there are indications that the perception of UNDP as an active partner in the energy and environment sector is somewhat mitigated. Technical assistance provided by UNDP is at times considered below expectations by implementation partners, associated costs are seemingly perceived as high and crucially, the lines seem to be blurring between what is seen as the potential or actual role of UNDP as an United Nations agency and the services offered by the private sector on the open market.

10. During the current programming cycle a total of \$ 9.105.531 were originally allocated to the UNDP Energy & Environment programme, part of these funds originating from previous allocations. Out of the \$ 5.382.180 actually available in the current programming cycle, 50% were allocated to urban environmental planning, 34% to sustainable energy, 7% to water resources and climate change respectively and the remaining 2% to biodiversity conservation. By the end of October 2010 a total of \$ 2.391.621 have been disbursed, i.e. 44,4% of available funds.

11. Relevance. Within the current Saudi Arabia development context, the overall relevance of Outcome 1 is considered high as evidenced by the growing emphasis given to sustainable development in the latest country's development plan. The relevance of the outcome was also confirmed by the fact that the UNDP country programme for energy & environment is closely aligned with the strategies being pursued by all key UNDP implementing partners, thus demonstrating continuity and complementarity in the shared vision underpinning the national development of Saudi Arabia.

12. Sustainability. Country drivenness and national ownership are strong features of the energy and environment programme. Financially, results are generally sustainable given that budgets required for maintaining and expanding the initiatives supported by UNDP have largely been secured or are likely to be secured in the near future. On the technical side, sustainability is somewhat weaker for many of the implementing partners still rely quite extensively on external technical assistance.

13. Cost effectiveness. Generally, the degree of progress towards the outcome can be rated as cost-effective, given the relatively modest financial resources actually invested to date and the degree of change so far achieved. On the other hand, it should be noted that several partners have indicated that in some cases UNDP inputs and services may cost more than equivalent services supplied by the private sector. Although this may be viewed as an indicator of the added value which has been attached by government to UNDP's partnership, in the medium term it could become an obstacle if such costs are consistently perceived to be out of line with prevailing market prices for equivalent services.

Factors affecting the outcome

14. A number of exogenous factors underlying the implementation of the UNDP energy and environment programme in Saudi Arabia are deemed to influence the outcome, either positively or negatively.

15. Sustainable development policy. Saudi Arabia's increasing commitment to address issues of sustainable development both at national and international levels has helped drive the energy and environment agenda in the forefront of policy dialogue in the country and clearly has a positive influence on the achievement of the outcome.

16. UNDP competitive advantage. As the playing field in the energy and environment sector becomes larger and more level, there may be a decreasing need for UNDP assistance, with government funds becoming more widely available and the private sector effectively providing key services that government agencies require.

17. Timing constraints. The time factor negatively affects the achievement of key targets under the outcome. Considerable delays are routinely recorded at all stages of the project cycle, with time lags in some cases of up to several years between project formulation and inception and further subsequent delays during implementation.

18. Seed funding. Another factor which impacts negatively on UNDP operations in Saudi Arabia is the almost total absence of funds supplied independently by UNDP to promote its energy & environment programme.

UNDP contributions to the outcome through outputs

19. Nine outputs with associated indicators, baselines and targets have been identified in the CPAP (2007-2011) for Saudi Arabia. The evaluation has analysed the relevance and contributions of UNDP project activities and upstream policy advice efforts with regard to the outcome by assessing the following: (i) what and how much progress has been made towards the achievement of the outcome, including contributing factors and constraints; (ii) the relevance of and progress made in terms of UNDP outputs, including an analysis of project activities and soft-assistance; (iii) the output-outcome link and UNDP contribution towards the achievement of the outcome, including an analysis of the partnership strategy.

Summary ratings for outputs

Expected Outputs	Targets	Ratings		Relevance	Sustainability	Effectiveness
		10/2010	12/2011			
Water resources						
MOWE supported by provision of technical assistance towards formulation of National Water Strategy	National Water strategy formulated establishment of DNA	Partially achieved	Achieved	High	Medium	Medium
National Capacity enhanced to enable MOWE to implement National Water Strategy	MOWE working with experts towards CB	Not achieved	Partially achieved	High	-	-
Water network system in Madhaya, Jizan established	Water Network established	Achieved	Achieved	Low	Medium	High
Support provided to national institutions to establish a National Water Efficiency programme	To be determined upon project formulation	Not achieved	Not achieved	High	-	-
Sustainable energy						
New Energy Efficiency policy options formulated	Energy efficiency policies implemented	Achieved	Achieved	High	High	Medium
Climate change						
Second National Communication report produced	Target: CC Policies formulated	Partially achieved	Achieved	High	Medium	High
National capacities established to develop Clean Development Mechanisms in KSA	To be determined upon project formulation	Not achieved	Not achieved	Medium	-	-
Biodiversity conservation						
NCWCD capacities enhanced to prepare the national action plan for Biodiversity convention	Finalize plan of action	Partially achieved	Achieved	High	Medium	High
Urban planning						
National Capacities of Jeddah municipality enhanced to formulate Jeddah Environmental Master plan	Draft Environmental Master plan	Not achieved	Not achieved	Medium	Low	Low

UNDP partnership strategy

20. The opportunities for a flexible and wide ranging partnership strategy in Saudi Arabia are limited. This is due to current guidelines set out by government for UNDP interventions in the country, which greatly favour public over private partnerships, while discouraging direct links between UNDP, NGO's and civil society. As a result, with few exceptions, UNDP has concentrated its efforts in developing strategic partnerships with different sectors of government and large government corporations. Overall, UNDP has been able to secure good working relations with all its partners in the energy and environment programme, generally eliciting a high level of trust and respect for its neutrality and professionalism. Indeed, several partners clearly demonstrated a sincere desire for UNDP to become more hands-on and deepen its involvement in Saudi Arabia.

RECOMMENDATIONS & LESSONS LEARNED

21. Promote a more proactive approach. The overarching recommendation is that in order to maintain and enhance the credibility of UNDP's role in the energy and environment field in Saudi Arabia, a more proactive approach will be required in the future. A coordinated effort should be made to strengthen the mobilisation of available technical resources, expert systems and knowledge networks. These are perceived as key assets which underlie the competitive advantage of UNDP over private sector services and should be deployed more effectively in Saudi Arabia if UNDP is to continue playing a significant advisory and policy support role in the energy and environment sector.

22. Increase UNDP investment in Saudi Arabia. In order to effectively promote UNDP's role in Saudi Arabia, there is a need to invest in the development of new initiatives in the energy and environment sector, without relying on cost-sharing mechanisms as the exclusive source of funding and mode of operation. Seed funding would be critical in generating interest and furthering dialogue while promoting upstream advocacy activities in innovative areas.

23. A more cohesive vision of the outcome. The elaboration of the energy and environment outcome for Saudi Arabia appears to be largely a demand driven process, with a tendency to tailor outputs to the specific requirements of the different government departments involved. In order to address energy and environmental concerns in a more holistic manner and bring together UNDP's partners across sectoral lines, the development of a more cohesive vision of the energy and environment agenda for Saudi Arabia is recommended.

24. Strengthened economic analysis. An important tool that could assist in building a more cohesive vision and understanding of energy and environment issues in Saudi Arabia is the application of more rigorous economic analysis. The failure of markets to adequately consider the value of ecosystem services means that the benefits derived from these goods are usually neglected or undervalued in decision-making. A possible focus for the next UNDP programming cycle could be to launch a cross sector initiative with the aim of understanding and capturing the value of ecosystems and their services in Saudi Arabia as a means to improving decision making in the energy and environment sector.

25. Strategic partnerships. Despite the narrow guidelines set out by government for UNDP interventions in the country, which greatly favour public over private partnerships, there is considerable scope in trying to improve UNDP's partnerships strategy within the public sector. The agency could catalyse sector-wide initiative and strengthen its facilitation role between different partners such as the Ministry of Water and Electricity (MOWE) and the Ministry of Agriculture in the water sector, or the Saudi Wildlife Commission (SWC) and the Presidency of Meteorology and Environment (PME) in the area of biodiversity conservation. In the field of sustainable energy, UNDP could intensify its soft assistance and facilitate the innovative partnership involving large government corporations and the recently established Saudi Energy Efficiency Centre (SEEC).

26. Regional and international cooperation. There is potential still to be tapped for regional and international cooperation in addressing interconnected issues and common problems in the field of energy and environment. Together with partner institutions such as MOWE, PME, SEEC and SWC, UNDP should explore on a case-by-case basis, the possibility of capitalising and replicating at regional and international levels key results so far achieved by Saudi Arabia in the field of energy and environment.