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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR KUWAIT\*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
1987-1989	IPF for 1987-1989	-
	Other resources programmed	3 380 321
	Total	3 380 321

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\* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; (e) distribution of new country programme by sector.

## I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

### A. Current economic trends

1. The socio-economic development of Kuwait can be traced through two periods; that before 1946, the year marking the first shipment of oil from Kuwaiti wells and the period thereafter. While in the former, the economy was totally dependent on fishing and petty trade, the latter saw the basis of an expanding programme of multi-sectoral development. The economy of Kuwait has, for some considerable time in its current phase, been a composite of three elements. The largest component is still the oil sector, which continues to occupy a dominant position, notwithstanding the recent sharp fall in oil prices, and has an important impact on the other two components. Second is the non-oil economy, consisting of manufacturing and services sectors, which has grown rapidly to acquire a significant share. The third is the surplus from oil income, acquired in the period prior to the recent recession in the oil market, and invested abroad. This has earned a growing volume of investment income, accruing outside the domestic economy. The past two decades witnessed the founding of the infrastructure network and profound, successful efforts towards an equitable distribution of economic and social advantages among citizens. The period saw, too, the influx of job-seeking migrants, for most of whom Kuwait has become, over the years, a second home. This development has naturally been brought about by the vast financial resources available to Kuwait through the exploration and exportation of crude and refined oil to the rest of the world.

2. The reliance on oil as the only source of income continued throughout the 1950s, 1960s and 1970s, because of the abundance of its financial returns in contrast with the modest expenses incurred. A search for alternative sources of income was not justified from a financial point of view during this period. Nevertheless, it became imperative in the 1980s for Kuwait to reconsider the objectives of its socio-economic development plans, especially in view of recent and current trends which have challenged the plausibility of the status quo.

3. The reduction in oil prices caused by excess supply and limited demand, coupled with military conflicts in the region and local financial hardships, have prompted the decision-making authorities of Kuwait to revise the country's economic and social policies. In addition, the traditionally relaxed policies in terms of the residence of expatriates in the country have ultimately led to an imbalanced demographic composition of the population whereby Kuwaiti citizens have become a minority in their own country. The 1985 census gives a population of 1,697,301, 40.1 per cent of whom are Kuwaitis, the rest expatriates. Certain measures were urgently required to meet the new conditions which emerged as a result of these developments. The production of non-oil goods and services, in themselves a dynamic source of employment opportunities and extra income, is presently seen as a clear and essential goal within the framework of the drive to lessen dependence on oil and to diversify income sources. The strategy for the development of human resources will not only prove to be a lasting, and indeed wise, course of action to achieve a successful demographic balance between Kuwaitis and non-Kuwaitis, but

will also contribute to the objectives of encouraging citizens to seek technical and vocational qualifications much needed to replace non-Kuwaiti personnel, at least in certain Government establishments. The leading development factor in Kuwait, however, will be the return to the instrumentality of medium- and long-term planning. This exercise has, in fact, already been adopted, and has so far resulted in the Five-Year National Development Plan of Kuwait (1985/86-1989/90). As a long term objective, the Government seeks to continue its efforts towards creating and expanding its welfare state for the benefit of Kuwaiti citizens. At the same time, it is anxious to provide a more permanent and self-sustaining income base which can support this welfare-oriented economy in the long run, gradually reducing reliance on oil revenues. Realization of these objectives is being carried out in a setting which maintains the predominantly Kuwaiti character of the society, thus avoiding intensification of social pressures arising from the high level of dependence on expatriate labour.

#### B. National development strategies

4. The priority areas and main objectives of the Five-Year Plan include the following:

(a) To restructure gradually the present demographic situation in Kuwait, in order to reach the desired balance between Kuwaitis and non-Kuwaitis by the year 2000;

(b) To increase the participation of citizens in the productive sectors, upgrade their skills, and develop their capabilities;

(c) To restructure and improve the civil service and the administrative machinery and train and upgrade management-personnel at all levels;

(d) To improve the use of the available financial resources for the benefit of national development through the rationalization of public expenditures, the correction of the direction of the national economy and the completion and maintenance of the economic and social infrastructure, and by continuing efforts to diversify the national economy - its sectors, employment, and income possibilities;

(e) To promote the role of the private sector and increase its participation in development, particularly in productive activities.

5. The total projected cost of the plan is estimated at 7,516,000,000 Kuwaiti dinars (\$21,796,400,000). However, the recent unexpected sharp fall in oil prices and the recessionary trend in the oil market have prompted the Government to introduce austerity measures which have already affected the annual fiscal exercise budget. Thus, it is expected that the projected outlays originally envisaged in the plan might have to be revised downward.

6. Kuwait receives no financial technical assistance from external sources and all costs of projects incorporated in the development plan are financed by the Government from its own sources.

### C. Technical co-operation priorities

7. At the time of its formulation, the third country programme of Kuwait (1982-1986) included technical assistance projects in the fields of transport and communications, general development issues, policy and planning, agriculture, industry, employment, health and education. Almost all these areas continue to enjoy high priority in the strategies of the newly prepared National Development Plan. Thus, continuation of assistance in these fields has been requested under the fourth country programme (1987-1989). In addition, new areas of technical assistance have been identified in the sectors of social conditions and equity, culture, science and technology, population and general international law.

8. The procedure adopted in identifying these requirements consisted of the preparation by each ministry/authority of a list of its overall technical assistance needs from the United Nations system. These needs were discussed, in detail, at separate meetings with the ministry/authority concerned, the Ministry of Planning, which is responsible for the financing and co-ordination of projects, and the office of the Resident Representative of the United Nations Development Programme (UNDP). Although participation in the country programme meetings of the major United Nations executing agencies was suggested, the Government did not deem it necessary since the ministries/authorities were considered capable of identifying their own needs. However, the assistance of certain regional and interregional advisers in the United Nations system was sought and provided, and the resident officers of two agencies, the International Labour Organisation (ILO) and the Food and Agriculture Organization of the United Nations (FAO) assisted in the discussions.

### D. Aid co-ordination arrangements

9. As Kuwait receives no external financial aid and has, since 1976, relinquished its indicative planning figure (IPF), the need for aid co-ordination does not arise. However, the co-ordination of technical assistance requirements is entrusted to the Technical Co-operation Department of the Ministry of Planning. This department has also been assigned the task of overseeing and assessing the participation of Kuwait in regional and international organizations. In addition, it controls the allocation of funds for all technical assistance requirements, within the framework of the country programme, of any governmental or non-governmental body in Kuwait. The role of the department has been strengthened concomitantly with the introduction of long-term planning, since technical assistance requirements and the country programme objectives have been assessed in the light of the goals and objectives spelled out for the National Development Plan.

## II. THE COUNTRY PROGRAMME

### A. Assessment of previous country programme

10. The third country programme of Kuwait (1982-1986) provided technical assistance to various sectors with the objective of transferring know-how to national and expatriate counterparts. Its total cost at the time of its formulation was estimated at \$7,926,000, covering 17 projects in 7 sectors:

<u>Sector</u>	<u>Percentage of total resources</u>
Transport and Communications	34.92
General Development Issues, Policy and Planning	26.87
Agriculture	12.84
Industry	12.53
Employment	8.43
Health	3.60
Education	<u>0.81</u>
	100.00

11. While emphasis was laid on the development of human resources, the country programme was in fact addressing the direct support needs of the various ministries/public authorities in the Government. The scarcity of national manpower and the high turn-over rate among expatriates often led to a situation where the majority of experts had to undertake their assignments without the benefit of counterparts, or at best, have temporarily assigned counterparts liable to leave at any time. Hence, the necessity felt by departments experiencing such conditions led to the prolonged stay of some of the experts. In the two country programme reviews held in 1983 and 1984, UNDP stressed the need to establish and strengthen training programmes for counterparts and called for support in the practice of project evaluations. However, the Government felt that the current composition of the human resources in the country left no choice but to continue utilizing the direct expert support services, which were essential for the orderly function of some departments. As for evaluations, it was felt that appropriate machinery exists in the Government to perform the necessary evaluations of the ongoing as well as new projects, thus obviating the involvement of outside parties.

12. Both country programme reviews were attended by representatives of the sectoral ministries/public authorities receiving or planning to request technical assistance services, in addition to the Ministry of Planning. Both reviews facilitated the identification of new projects in agriculture, veterinary services, education, population, postal services, rehabilitation of the handicapped and development planning. In addition, several ongoing projects were extended for further durations. The reintroduction of long-term planning and the UNDP provision of assistance to the Government in this endeavour should, however, be viewed as the major achievement of the third country programme.

13. In the agricultural and industrial sectors, there was some deviation between the programme as approved and the programme as implemented. The basic reason for this was a certain change in the managerial and organizational structure in these two areas. The agricultural research that was carried out during the earlier part of the programme has had a positive impact and would have had a much greater one if it had been continued for the full duration originally envisaged.

#### B. New programme proposal

14. Even though a hiatus was created, it was considered that since the duration of National Development Plan coincides with the fourth programming cycle of UNDP, the commencement of activities under the fourth country programme should synchronize with the launching of the Plan.

15. Taking into consideration the strategies spelled out in the new National Development Plan and the achievements of the third UNDP country programme, technical assistance in the fourth country programme will focus mainly on the areas described below.

#### Long-term socio-economic planning

16. The recent completion of the Five-Year National Development Plan represents a significant step in this area. Valuable work has been done in specifying a desirable pattern of development that is agreeable to all elements of the Government machinery. However, the real test will no doubt be during the phase of Plan implementation. Although ultimately all of the substantive work has to be done by nationals of the country, the shortage of planning skills are, at present, so great that technical expertise from abroad is unavoidable. This being the case, the Government requests the continuation of United Nations experts to assist in these efforts and to train Kuwaiti nationals.

#### Diversification of income-generating sources

17. The main goal here will be to reduce the dependence on oil and oil-related production sectors as a means of generating income because of the recent fluctuations in oil prices and the non-renewable nature of this source. This also embodies a long-term strategy for a stable socio-economic order. The promotion of alternative sources of income such as industry, agriculture, transportation and investment/trade-related activities is therefore assuming growing importance.

#### Human resources development strategy

18. In this area, the main objective is the development of a strategy geared towards maximizing the output of available human resources through the intensification of training offered in technical, vocational and middle management categories of personnel for the purpose of creating a viable cadre of qualified nationals capable of shouldering the future requirements of development in Kuwait.

### Improving management and maintenance operations

19. Stress will be laid on improving management structures and organizational and administrative practices to ensure optimum utilization of existing productive and managerial capabilities. In addition, provisions will be made for the development of a system of maintenance of public services such as transportation, health and education, while keeping abreast of the latest technological innovations that impact on such services.

### Promoting science and technology research

20. The aim here will be to support national institutions undertaking research, and to ensure the subsequent application of science and technology to the practical needs and requirements of everyday life.

21. These objectives meet the basic requirements of Kuwait in the near future. They stress the necessity of maintaining the practice of long-term planning in all sectors as the only method of gauging the development process of the country within the framework of available financial and human resources. The objectives attempt to promote activities in the non-oil sectors of production when addressing agriculture, transportation, industry and science and technology, fields which have received growing emphasis for the diversification potential they could offer. In addition, the objectives address the current demographic pattern of the country and the ways of promoting and intensifying the training programmes of nationals. Furthermore, the objectives take into account the role of science and technology in the developmental process of Kuwait and call for strengthening institutions undertaking research into questions of practical interest in this field. Equally, the objectives attach greater significance than hitherto to the improvement of the services sectors and to reforming the management of public bodies as two principal objectives of the National Development Plan. In view of the level of the overall development in Kuwait, the new country programme foresees a greater utilization of short-term consultations, in specialized technical fields, as against long-term expertise provided under previous country programmes.

22. The programming exercise involved extensive meetings with sectoral ministries/public authorities which submitted requests for the technical assistance needed for implementation of their programmes. These requests were subsequently evaluated by the Ministry of Planning which made the final submission in the form of an abridged list of approved projects. The present country programme represents, therefore, a portion of the originally submitted requests, a number of which did not merit endorsement for financial as well as for technical reasons.

### Long-term socio-economic planning

#### Ongoing projects

#### Assistance to the Central Statistical Department (KUW/79/015)

23. This project provides services in the fields of national accounts and systems analysis to the Central Statistical Department. The project output has a direct impact on the statistical requirements of the National Development Plan.

Development of Economic and Social Planning Capacities (KUW/81/005)

24. The personnel component of this major project contains high calibre expertise in the fields of long-term planning, technical assistance co-ordination and evaluation of the major engineering and construction projects in the country. The cost of this large-scale project constitutes more than one third of the country programme resources.

Strengthening of the Demographic Analysis and Census Training Capabilities of the Central Statistical Department (KUW/83/002)

25. This project provides direct support services to the Central Statistical Department in the field of staff training and upgrading demographic and census training capabilities. It also contributes a number of analytical studies arising from the censuses held in Kuwait in 1975, 1980 and 1985.

New projects

Consultancy Services in the Law of the Sea (KUW/86/006)

26. This small-scale project is requested by the Ministry of Foreign Affairs for the purpose of conducting further analysis of the Law of the Sea as it relates to Kuwait.

Diversification of income-generating sources

Ongoing projects

Date Palm Production Expert (KUW/83/003)

27. This one-man project provides advisory services to the Government, and the private sector, in the ways and means of growing a better breed of date palms on a wide scale. The services offered include the identification and treatment of palm dates diseases, the provision of different methods of propagation and plantation and extension services. The project is part of a Government effort to revitalize the growing of palm dates in Kuwait as a traditional tree of the desert. The effort will have recreational and economic effects on the agricultural sector in Kuwait. A mass campaign has, therefore, been launched to encourage citizens to grow palms and assistance is provided, free of charge, in the form of advice to the public to combat diseases and to increase production.

Advisory Services to the Agricultural Affairs and Fish Resources Authority (KUW/84/001)

28. This project provided, in its first phase, consultancy services in the areas of greenhouse air conditioning, irrigation methods and design of the small fisheries harbours. The second phase will provide expert and consultancy services in irrigation methods, fish marketing and handling, greenhouse air conditioning and livestock feeding and foodstuffs. The project aims at reaching practical solutions to overcome the difficulties facing both public and private sectors in the said



fields. It comes at a time when the development of the agricultural sector is emphasized in order to meet, to some degree, the demand of the country in vegetable, fruit and dairy products.

Consultant in Mycoplasmosis (KUW/85/003)

29. The project will provide 3 man-months in consultancy services to the Veterinary Department of the Agricultural Affairs and Fish Resources Authority in the field of diagnosis of mycoplasmosis. The veterinary services in Kuwait have been found to need specialized assistance to survey, diagnose and treat diseased animals, the number of which has increased appreciably in recent years.

New projects

Agricultural Producers' Co-operatives (KUW/86/002)

30. This project is designed to assist the Ministry of Social Affairs and Labour and the agricultural co-operatives in the organization and operation of co-operatives, the co-ordination of activities and long-term planning. The advent of modern techniques in agriculture has encouraged citizens to venture into this sector. As a result, several co-operatives have been formed from among the firms who are supplying the market with growing quantities of farm products, mainly vegetables. These newly-formed co-operatives are in need of an in-depth evaluation to streamline their output in a way beneficial to their members and to the public.

Consultancy Services to the Veterinary Department of the Agricultural Affairs and Fish Resources Authority (KUW/86/003)

31. The project will provide four consultants in the fields of Virology, Bacteriology, Epidemiology and Brucellosis, all of which are areas in need of strengthening in the Veterinary Department. The consultants will also conduct on-the-job training of veterinarians and technicians operating in the Veterinary Department. The project is essential to safeguard the healthy development of the meat and dairy industries in the country.

Port Management Training Consultancy Services (KUW/86/004)

32. The basic objective of this project is to assist the Port Public Authority in the field of management techniques. An overall evaluation of the present management practices in all the departments in the Port Public Authority will take place and a report will be produced summing up the findings and recommendations of the evaluation. The Government feels that a revitalization of the shipping/transit sector is needed as a viable source of income and employment and it believes that a modernization in the management techniques of the Port Public Authority will assist in this process.

Human resources development strategy

Ongoing projects

Consultant in Legal Metrology (KUW/84/004)

33. This project will provide a 3 man-month service to the Department of Standardization and Quality Control in the Ministry of Oil and Industry, to train its staff in the use of newly installed standardization and quality control laboratory equipment.

Rehabilitation of the Handicapped (KUW/85/001)

34. This project will provide a 3 man-month consultancy service in the training of staff in the Ministry of Social Affairs and Labour and in the Kuwait Society for the Handicapped in the methods of rehabilitating the handicapped.

Postal Coding and Automatic Mail Sorting (KUW/85/004)

35. This project is established to meet the needs of the Postal Services Department in installing coding and automatic mail sorting machinery for the purpose of improving mail services. The expert is required to supervise the operations, train the staff and evaluate the progress of the system.

Technical Assistance to the Ministry of Education (KUW/85/005)

36. This project is designed to assist in (a) editing existing English language textbooks and initiating a process of writing a new series of books and associated materials for the intermediate and secondary schools; and (b) providing high-level expertise to the Science Museum of Kuwait for the purpose of upgrading its services and programmes. In both fields, the international professionals are required to work closely with and to train available counterparts.

New projects

Consultancy Services to the Public Authority for Applied Education and Training (KUW/86/007)

37. This project will provide consultancy services in the fields of curriculum development and the evaluation of training programmes, laboratory organization and structuring, and development of educational television. The main objective of the project will be to evaluate the current arrangements with a view to strengthening the training of trainers.

Improving management and maintenance operations

Ongoing projects

Documentation and Microfilming (KUW/79/005)

38. This project will provide technical advice in the field of microfilming and quality control techniques to the Kuwait Information and Microform Centre. The Centre stores Government documents and official journals on microfilms which are made available to decision-makers when required. In addition to the need of attaining a better standard of service in this field, the Centre contributes to the quick accessibility to documents by decision-makers.

Assistance to the Civil Aviation Department (KUW/81/002)

39. The project provides direct support consultancy services to the Civil Aviation Department in response to urgent requests concerning specific fields made by the Civil Aviation Department.

Upgrading the Nutrition Services in Kuwait (KUW/82/001)

40. The project aims at providing advice to the Nutrition Department of the Ministry of Public Health in the fields of (a) General Nutrition, Methodology and Application; (b) Hospital Dietetics; and (c) Therapeutic Nutrition. The project will address specific problems faced by the Nutrition Department and will provide advice as to their solutions. So far the situation in Kuwait vis à vis general nutrition has been satisfactory. However, the Government requires a constant update in this field, particularly in response to the increase in cases of patients who require nutritionally balanced and well-prepared meals.

Assistance to the Ministry of Communications (KUW/82/003)

41. The project is geared towards the provision of high-calibre expertise to assist in the drive to upgrade the telephone exchange systems in Kuwait. The project, which has continued since December 1983, is due to expire in the second quarter of 1987.

New projects

Development of Media-Related Information Research (KUW/86/001)

42. This project will assist the Ministry of Information in establishing a computerized system allowing for the storage and retrieval of pertinent information for the use of senior decision-makers in the country.

Promoting science and technology research

Ongoing projects

Consultancy Services in the Field of Bio-technology and Genetic Engineering to the Kuwait Institute for Scientific Research (KUW/86/005)

43. This project will provide consultancy services to the Kuwait Institute for Scientific Research in the areas of (a) use of micro-organisms for the production of biosurfactants and pollution control; (b) marine genetic engineering and biotechnology; (c) plant tissue culture; (d) genetic engineering for enzymes for feed and food processing; (e) use of DNA-based genetic diagnostics related to clinical genetics and health; and (f) biomass production and fine chemical and petroleum by-products. The consultants, who should be distinguished scholars, are to assist in drawing up the programme of work of the Kuwait Institute for Scientific Research for the current plan period.

C. Unprogrammed reserve

44. Funds are provided by the Government from its own sources under a 100 per cent cost-sharing arrangement, as new areas of technical assistance are identified.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		
A. <u>UNDP-administered sources</u>	<u>\$</u>	<u>\$</u>
Government cost-sharing	3 380 000	
Subtotal, UNDP non-IPF funds		<u>3 380 000</u>
B. <u>Other sources</u>		
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u><u>3 380 000</u></u>
II. USE OF RESOURCES		
Ongoing projects	2 449 000	
New project proposals	931 000	
Subtotal, programmed resources		<u>3 380 000</u>
TOTAL USE OF RESOURCES		<u><u>3 380 000</u></u>

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