

UNITED NATIONS
DEVELOPMENT
PROGRAMME.



Distr.
GENERAL

DP/CP/OMA/3
19 February 1982

ORIGINAL: ENGLISH

GOVERNING COUNCIL
Special meeting
24-28 May 1982, Geneva
Agenda item 3(d)

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR
OMAN

UNDP assistance requested by the Government of Oman
for the period 1982-1986

Illustrative IPF for 1982-1986: \$4.0 million

INTRODUCTION

1. The Fourth Department of the Ministry of Foreign Affairs prepared the third country programme for Oman in collaboration with the Ministry of Finance and the technical ministries and departments concerned. The UNDP office in Muscat participated in the programming exercise. Specialized agencies concerned fielded missions to evaluate ongoing projects and activities and to design, as needed, new phases and projects for inclusion in the third country programme.

Note: In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, Annex I), the third country programme for Oman is being submitted to the Council without an accompanying note by the Administrator.

The previous country programmes for Oman and the accompanying notes by the Administrator were issued under the document symbols: DP/GC/OMA/R.1-DP/GC/OMA/R.2 and DP/GC/OMA/R.1/RECOMMENDATION-DP/GC/OMA/R.2/RECOMMENDATION, respectively.

2. Given the limited resources available for the financing of the country programme, the Government decided to focus mainly on the consolidation and expansion of ongoing projects. The need for the Government to supplement UNDP resources with cost-sharing contributions became quickly evident. The Government reviewed project proposals in the light of the availability of funds, from both sources, taking into account the objectives of the Government's Second Five-Year National Development Plan.
3. The third country programme covers the period 1 January 1982 - 31 December 1986. It thus coincides with the third programming cycle of UNDP, and overlaps four years of the Government's Second Five-Year Development Plan, which covers 1981-1985 (inclusive).
4. While the illustrative indicative planning figure (IPF) for Oman for the third cycle is US\$ 4 million, the Government has programmed 80 per cent of this figure, in accordance with UNDP's wishes, which stem from the current UNDP global resource outlook. The figure programmed, US\$ 3.2 million, accounts for only a 27 per cent share of the third country programme. The remainder (approximately US\$ 8.5 million or 73 per cent) of the cost of the country programme will be financed through Government cost-sharing.
5. Aside from the noteworthy resort to Government cost-sharing, the most significant feature of the country programme is its concentration on the consolidation and expansion of projects included in the second country programme. This underscores the continuing validity of activities currently assisted by UNDP.
6. Development issues of global concern have been addressed in the country programme. Thus, objectives of the International Drinking Water Supply and Sanitation Decade (IDWSSD) are reflected in the Community Development Project (OMA/81/003), which, in addition, will promote the contribution of women to the country's social and economic development. The same project, along with the project, Agricultural Research and Development (OMA/81/007), and the project, Improvement of Living Conditions in the South (OMA/81/013), reflect the importance which the Government attaches to meeting the needs of the poorer strata of the country's population.
7. UNDP-assisted regional projects which have an important bearing on activities in Oman include the Civil Aviation College for Gulf States in Doha (RAB/81/014). Also noteworthy is the proposed project for the Development and Management of Fisheries in the Gulf (RAB/81/001).

UNDP TECHNICAL CO-OPERATION ENVISAGED IN SUPPORT OF NATIONAL
DEVELOPMENT PRIORITIES

8. The Government's development priorities, in the words of His Majesty the Sultan, are:

"Self-reliance is ... the keynote of all our plans for the future. Our first priority must therefore be the consolidation and expansion ... of our economy to make it so diversified that our dependence on ... oil is reduced. ... we must exploit our potential. ... We shall not waste our efforts ... on meaningless prestige projects:

everything shall be directed to the continued improvement of the standard of living of all our people and the strengthening of our national infrastructure ~~for~~ security and stability."

(Tenth National Day Speech, 18 November 1980).

9. The Second Five-Year Plan allocates 2.152 million Omani rials (OR) (or US\$ 6,237.68 million) to development expenditures as follows: economic infrastructure, 36.5 per cent; oil and minerals, 31.4 per cent; social infrastructure, 13.1 per cent; industry, 7.7 per cent; financial institutions, 2.7 per cent; water resources, 22.6 per cent; agriculture, 2.4 per cent; commerce and tourism, 2.2 per cent; and fisheries, 1.4 per cent.

10. The third country programme will provide technical assistance where it can best be utilized to develop national capabilities, promote grass-roots development, stimulate economic diversification, and support efforts to continue the development of infrastructure. Resources have been concentrated in areas of greatest need. Accordingly, the Government decided that the country programme would concentrate on agriculture, forestry and fisheries; industry; transport and communications (civil aviation and telecommunications); health (malaria control); education; social conditions and equity (community development); and science and technology (meteorological development).

A. Agriculture, forestry and fisheries

11. Agriculture, forestry and fisheries contributed about three per cent of the country's gross domestic product (GDP) during the first Five-Year Plan (1976-1980). The sector, however, continues to be important even after the discovery of oil since approximately one half of the country's population relies on agriculture as its principal source of income.

12. While agricultural production has risen in recent years, the country continues to depend heavily on imports to meet domestic food requirements. Production constraints include a scarcity of cultivable land, the scattering of small plots over large areas, and a paucity of water resources. The agricultural development strategy of the Second Five-Year Plan concentrates on intensifying output in existing cultivable areas (vertical expansion) through improved inputs and techniques. Horizontal expansion will be limited to areas where adequate water supply is assured.

New phases of ongoing projects

13. Agricultural Research and Development (OMA/81/007)

Government cost-sharing contribution: US\$ 3,043,478

Duration: 4 year

The Ministry of Agriculture will expand its technical capacity to supervise and support implementation of the Five-Year Plan's agricultural development strategy. Accordingly, the Government proposes that UNDP assist a Phase II of an ongoing project (OMA/77/001) providing technical support to the Ministry. The new project (OMA/81/007) will deal particularly with the formulation and implementation of agricultural and resource development projects. The estimated cost of the project, US\$ 3,043,478, will be financed by the Government through a 100 per cent cost-sharing arrangement.

14. Fisheries Development (OMA/81/012)

Government cost-sharing contribution: US\$ 110,627 Duration: 1 year

The Fisheries Department of the Ministry of Agriculture will participate in the expansion of the Ministry's capacity in regard to the responsibilities placed upon it by the afore-mentioned development strategy. The Government, in this connection, wishes UNDP to assist in a Phase II of an ongoing project connected with Fisheries Development (OMA/79/001). This project, too, will be financed by the Government through a 100 per cent cost-sharing contribution.

B. Industry

15. Prior to the discovery of oil, industrial activity centred around boat building and handicrafts. In the 1970s, the situation changed dramatically. Thus, while in 1975 there were only 15 industrial firms, by 1980 they numbered 930.

16. Industrial objectives and policies of the Second Five-Year Plan stress the need to stimulate the private sector. Priority is to be given to enterprises using local raw materials and manpower for the processing of foodstuffs and the production of competitive goods for export. Foreign investment is to be encouraged in joint (Omani and foreign) enterprises contributing to economic development.

New phase of ongoing project

17. Industrial Advisory Services (OMA/81/005)

UNDP contribution: US\$ 400,000
Government cost-sharing contribution: US\$ 1,007,803 Duration: 5 years

This new phase of the project, Industrial Planning Unit (OMA/75/002), will provide specialized services to the Ministry of Commerce and Industry to enable industry to develop in a rational and economic manner. The areas which will be particularly covered are industrial planning, market analysis and research, computerized industrial data collection and analysis, and industrial pollution control.

New Project

18. Assistance to the Directorate-General of Specifications and Measurements (OMA/81/008)

UNDP contribution: US\$ 60,000
Government cost-sharing contribution: US\$ 107,370 Duration: 2 years

This new project will develop the activities of the Directorate-General of Specifications and Measurements in the Ministry of Commerce and Industry. The main objective will be to strengthen the services of the Government's Central Laboratories. Attention will be paid to pollution control.

C. Transport and communications

19. With great distances between the capital and key areas of the country, such as Dhofar, Mussandam and Masirah, civil aviation is a key to Oman's development. Ten years ago the country had no modern airport. Now it has two: the Seeb International Airport in the north of Oman (which handled 24,942 aircraft and 694,000 passengers in 1980), and Salalah Airport in the southern province of Dhofar. In addition, several small airstrips operate in various regions. During the Second Five-Year Plan, Seeb and Salalah will be further developed and facilities at airfields in Bukha, Bayah and Salistam will be improved.

20. The use of radio communication has increased very rapidly in Oman and other Gulf countries during the last five years and this trend is expected to continue in the 1980s. Intense use of the radio frequency spectrum has made it difficult to find clear, interference-free radio frequency channels to meet vital radio communication requirements. The situation needs to be rectified by bringing the country's radio frequency management and monitoring system in line with measures taken in other countries of the region and by enhancing the system's capacity to meet requirements for further growth.

New phase of ongoing project

21. Civil Aviation Development (OMA/81/004)

| | | |
|--|----------------|--------------------------|
| <u>UNDP contribution:</u> | US\$ 216,741 | |
| <u>Government cost-sharing contribution:</u> | US\$ 2,119,259 | <u>Duration:</u> 5 years |

This project, the Phase II of the project, Assistance to the Directorate-General of Civil Aviation (OMA/74/012), will seek to improve the capacity of the national civil aviation administration in a number of areas. These include codes and standards for airworthiness; airworthiness inspection and control; aviation safety regulations and procedures; safety inspection and certification of air operators; aircraft accident prevention and investigation; and airport management, operations and maintenance.

New project

22. Radio Frequency Management and Monitoring (OMA/81/002)

| | | |
|--|--------------|-------------------------|
| <u>Government cost-sharing contribution:</u> | US\$ 131,700 | <u>Duration:</u> 1 year |
|--|--------------|-------------------------|

This project will carry out a study of present systems and procedures for radio frequency management and propose measures for the establishment of a national frequency management office. It will up-date licensing procedures and devise solutions for harmful interference problems. It will cover the regulation of wireless stations in the country. In addition, it will conduct relevant national staff training and prepare long-term training proposals.

E. Health

23. Health services have expanded rapidly in the past ten years. In 1970, there were only 12 hospital beds in the entire country. By the end of 1980 there were 1783 beds in 14 hospitals, 14 health centres, 55 clinics, 6 public health compounds, and 13 public health units. The staffing includes 300 physicians, 851 nurses and 311 medical assistants. There are units for vector control, environmental health, mother and child care, and health information, in addition to a bacteriological laboratory and a nurses' training school. Nine quarantine units function at airports, harbours and border posts.

24. Health sector targets in the Government's Second Five-Year Plan include the expansion of medical services in remote areas, the expansion and upgrading of regional health centres to reduce pressure on central hospitals, the increase of preventive medical services, and the establishment of a strategic reserve of essential medicines.

New phase of ongoing project

25. Malaria Control (OMA/81/010)

| | | | |
|--|------|---------|--------------------------|
| <u>UNDP contribution:</u> | US\$ | 630,539 | |
| <u>Government cost-sharing contribution:</u> | US\$ | 340,188 | <u>Duration:</u> 5 years |

This will be a Phase II of the project Malaria Control (OMA/74/009). With malaria still the primary health problem in the country, the Government is continuing its efforts to control the disease. The Phase II project will cover the systematic expansion of the malaria control programme. In addition, it will further develop the technical capacity of the country's central malaria office.

F. Education

26. Education has achieved dramatic progress within ten years. Before 1970, aside from traditional Koranic schools, there were only three schools, attended by 909 pupils taught by 30 teachers. By 1979-1980, there were 363 schools with 94,823 pupils and 4,325 teachers. About 31.5 per cent of the students were girls.

27. Educational and vocational training objectives and policies of the second Five-Year Plan are: (a) to focus educational and vocational training on economic and social development requirements; (b) to adjust educational and vocational training to the varying needs of individual communities; (c) to stress secondary technical education, teacher training, and vocational training; and (d) to establish a modern university.

New phase of ongoing project28. Educational Planning and Development (OMA/81/006)

| | | |
|--|----------------|--------------------------|
| <u>UNDP contribution:</u> | US\$ 1,300,000 | |
| <u>Government cost-sharing contribution:</u> | 200,000 | <u>Duration:</u> 4 years |

This project represents the continuation and expansion of the project Educational Planning and Development (OMA/78/001). Within the framework of implementation of the educational development strategy of the Second Five-Year Plan, particular attention will be paid to educational statistics, manpower planning, secondary technical education, functional literacy and non-formal education, girls' education and adult women's literacy, and evaluation of educational programmes.

G. Social conditions and equity

29. The Second Five-Year Plan aims at extending the network of Government services throughout the country, with priority being given to areas with special geographic considerations. The Government intends, within this context, to expand community development activities which are presently operating on a pilot basis in three areas. Community development is envisaged as a major instrument for promoting greater participation by all members of society as both agents and beneficiaries of the development process and for achieving greater sectoral co-ordination of development activities at all levels.

New phase of ongoing project30. National Community Development Project (OMA/81/003)

| | | |
|--|--------------|--------------------------|
| <u>UNDP contribution:</u> | US\$ 500,000 | |
| <u>Government cost-sharing contribution:</u> | 200,000 | <u>Duration:</u> 4 years |

The project, the Phase II of Community Development (OMA/74/021), will expand and strengthen the national community development programme. It will conduct social surveys to identify priority areas for the expansion of the programme. In addition, it will augment relevant national capabilities at all levels through the training of national personnel. Special attention will be given to women's needs and, indeed, it will represent a direct response to the Programme of Action for the Second Half of the United Nations Decade for Women.

H. Science and technology

31. Availability of reliable climatological data is essential for the proper implementation of national development programmes in the area of land and water resource utilization (for agricultural development and other purposes), fishery development, civil aviation, and maritime transport. To meet this need, the Government has recently designated the Meteorological Section of the Directorate-General of Civil Aviation as the national meteorological service.

New project

32. Meteorology - Training and Equipment (OMA/81/009)

| | | |
|--|---------------|--------------------------|
| <u>UNDP contribution:</u> | US\$ 292,720 | |
| <u>Government cost-sharing contribution:</u> | US\$1,170,880 | <u>Duration:</u> 5 years |

The project will contribute to the building up of institutionalized capability in the Meteorological Section of the Directorate-General for Civil Aviation to carry out the enlarged role that has been assigned to it. Among other benefits, the project will ensure improved safeguards for human life, health and property as the country is, from time to time, subject to sudden climatic disturbances.

Annex
FINANCIAL SUMMARY

| A. <u>Resources</u> | \$ | | |
|--|-------------------------|---------------------|--------------|
| (a) IPF and other resources | | | |
| (i) Illustrative IPF for programme period | 4 000 000 | | |
| (ii) Carry-over from previous IPF cycles | - | | |
| (iii) Other resources (Government cost-sharing) | 8 489 605 | | |
| (b) Provision for adequate programming(*) | - | | |
| TOTAL | 12 489 605 | | |
| B. <u>Use of resources</u> | | | |
| (a) Programmed | | | |
| (i) Ongoing projects and new phases included in the country programme | 9 868 635 | | |
| (ii) New projects | 1 762 670 | | |
| (iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage) | - | | |
| Subtotal | 11 631 305 | | |
| (b) Reserve | - | | |
| (c) Unprogrammed balance a/ | 858 300 | | |
| TOTAL | 12 489 605 | | |
| C. <u>Financial distribution of programme, by sector</u> | | | |
| <u>Sector b/</u> | <u>Ongoing projects</u> | <u>New projects</u> | <u>TOTAL</u> |
| | \$ | \$ | \$ |
| 04 Agriculture, forestry and fisheries | 3 154 105 | - | 3 154 105 |
| 05 Industry | 1 407 803 | 167 370 | 1 575 173 |
| 06 Transport and communications | 2 336 000 | 131 700 | 2 467 700 |
| 10 Health | 970 727 | - | 970 727 |
| 11 Education | 1 300 000 | - | 1 300 000 |
| 14 Social conditions and equity | 700 000 | - | 700 000 |
| 16 Science and technology | - | 1 463 600 | 1 463 600 |
| TOTAL | 9 368 635 | 1 762 670 | 11 631 305 |

a/ Including 20 per cent of the illustrative IPF which has not been taken into account for programming in accordance with the Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126.

b/ According to ACC classification.

* See G-3200, item 302.

