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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR
UNITED ARAB EMIRATES

UNDP assistance requested by the Government of United Arab Emirates
for the period 1982-1986

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1/ The previous country programmes for United Arab Emirates were issued under the document symbols DP/GC/UAE/R.1 and DP/GC/UAE/R.2.

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INTRODUCTION

1. The preparation of the third country programme of the Government of the United Arab Emirates follows closely on the formulation of the Government's first Five-Year Development Plan for 1981-1985. The draft Plan, which now awaits formal approval by the Cabinet, was finalized in mid-1981. The country programme itself covers the period 1982-1986 and coincides with the third programming cycle.
2. The United Nations system was called upon to assist in the preparation of the Plan through inter-related UNDP support projects to the Federal Ministry of Planning. In consequence, the technical co-operation requirements set out in this document closely reflect the Government's development priorities and objectives as identified in the Plan and, while by no means comprehensive, are complementary to the Government's own efforts of directly recruiting outside expertise for operational purposes. The country programming exercise has been conducted by the Ministries of Foreign Affairs and of Planning in full consultation with sectoral Ministries of the Federal Government and local Emirate Governments as well as with the office of the UNDP Resident Representative. It takes into account the findings of sectoral and sub-sectoral programming missions mounted by agencies of the United Nations system at the Government's request.
3. The third country programme reflects the Government's increasing confidence in assistance provided by the United Nations system and, compared with the second cycle, envisages a three-fold increase in resources with the entire increase coming from Government cost sharing. In addition to an IPF figure of \$1 million, the Government's total contribution to the third country programme under cost sharing will come to \$26.6 million. Most of the projects identified will be financed under the 100 per cent cost sharing formula and for budgetary considerations, the Government has decided to provide financing on a project by project basis.
4. While the country programme spans only five years, it does have longer-term perspectives. Emphasis is placed on institutional support, planning and research activities which are in support of the Government's own efforts towards national integration, and the building up of national capability and self-reliance in the key sectors of the economy. Measures to improve the quality of life, both through more effective social services and by protecting the environment, are also envisaged.
5. To have the intended integrative effect, technical co-operation activities will be implemented primarily through Federal institutions, although needs of individual Emirates have been taken into account. At the same time, the Government will be taking steps to strengthen the co-ordination machinery for external co-operation. In all technical co-operation activities, priority will be given, first and foremost, to the training of nationals in both management and technical areas to assume a leadership role in key sectors. A large number of the projects included, whether in production or service sectors, cover the Northern Emirates in line with the Government's policy of achieving regional balance.

NATIONAL DEVELOPMENT OBJECTIVES AND PROGRAMMES TO BE
SUPPORTED BY UNDP

6. Development objectives of the United Arab Emirates include the strengthening of

the Federation, the reduction of regional imbalances, the achievement of an optimal population structure, the diversification of the sources of national income to lessen dependence on oil and the promotion of the private sector as an important agent in the development process. In terms of the structure of the economy, it is intended to align the demand for manpower more closely with development requirements at each stage, to absorb into the work force increasing numbers of nationals and to expand the productive base particularly in manufacturing.

7. It is the Government's intention to maintain the total population at the 1980 level of 1.04 million, with any increase being confined to nationals rather than expatriates. The next five years are expected to witness a change in the structure of the work force in that skilled labour will show an increase, and unskilled and semi-skilled a decrease. The work force in manufacturing and extracting industries, apart from crude oil, is likely to increase, while it is expected that employment figures in such other sectors as construction, transport and communications will fall.

8. The draft Five-Year Plan envisages a rate of growth of 3.9 per cent annually. If the crude oil sector were to be excluded, then the rate of growth envisaged would come to 9.6 per cent annually. Manufacturing is expected to be the leading growth sector with an annual growth rate of 27 per cent. National income is expected to rise from Dh. 98.8 billion in 1980 to Dh. 125.4 billion in 1985; per capita income will increase from Dh. 95,000 in 1980 to Dh. 120,500 (roughly \$32,000) in 1985.

9. Technical assistance being sought from UNDP within the framework of the third country programme will focus on infrastructure and human resources development. Development planning and administration are particularly emphasized, and support is also being sought for activities in the productive sectors and in the transfer and adaptation of technology.

10. Other country activities of the United Nations system fit within this framework and complement UNDP assistance. The two are mutually reinforcing and UNDP assistance has led in the past to agency funds-in-trust agreements, or vice versa.

General development issues, policy and planning

11. Following a period of large-scale investments in construction and physical infrastructure, a serious attempt at systematic country-wide planning has been initiated by the Federal Ministry of Planning. Closely allied to this are Government efforts to strengthen development administration and the collection and analysis of statistics and data for informed decision-making.

12. Among the existing projects in this important sector is Assistance to the Ministry of Planning (UAE/79/002) which started in March 1980 and will continue throughout 1982 and early 1983 with the objective of assembling labour and analyzing the problems of employment. The cost of the project during the third country programme period will come to US\$130,000.

13. A closely related project, Economic and Development Planning (UAE/79/004), was requested during the second country programme period. The main objective of formulating the Plan having been achieved, an expenditure of \$200,000 is foreseen in

1982-1983 for short term consultancies.

14. New projects will include Strengthening Planning Institutions (UAE/81/004) to build up national capacity to appraise projects and monitor Plan implementation, ensure adequate linkages between sectoral and regional plans and advise on appropriate institutional arrangements. The three-year project will cost \$2,497,000.
15. To build up national capability to conduct household surveys, including the collection, analysis and timely dissemination of data, prepare demographic studies and assemble vital statistics and statistics relating to immigration, manpower, health and education, the project National Household Survey Capability Programme (UAE/81/003), will be launched at the country level at a total estimated cost of \$1,446,000. The project will be for a duration of four-and-a-half years and will receive backstopping from the regional project Household Survey Services in Western Asia (RAB/80/009).
16. The National Computer Centre was set up with assistance from the United Nations Department of Technical Co-operation for Development under a funds-in-trust arrangement. A second phase relating to Strengthening the National Computer Centre (UAE/82/002) is to be developed within the framework of the country programme to concentrate on training and computer use in specialized areas for a duration of three years at an estimated total cost of \$420,000.
17. In view of the heavy preponderance of expatriates in the work force (representing some 90 per cent of the total) the Ministry of Labour must have access to up-to-date and reliable data for informed decision making on policy options. The project Management Information System for the Ministry of Labour (UAE/82/004) is intended to set up over a period of three years, a computerized manpower information system within the Ministry at a cost of about \$1,500,000.
18. In pursuance of Government policy to improve co-ordination of technical assistance and the programming of external expertise, a project Strengthening the Department of External Co-operation in the Ministry of Planning (UAE/82/003), is to be designed for a period of three years at a total cost of \$700,000.
19. UNDP assistance is being sought in setting up a National Archives and Micro-film Service (UAE/81/002) to organize and modernize Federal archives, starting with the Ministries of Foreign Affairs and of Planning, and to introduce the use of micro-film in data storage and retrieval. The project is foreseen to start in 1984 and to be implemented in more than one stage. Total costs are currently estimated at \$2,979,000.
20. Two separate but inter-related projects are foreseen for the Abu Dhabi Emirate in the public administration sphere: namely, Administrative Reorganization and Arabization of Civil Service Posts. An amount of \$350,000 is being earmarked for each. The first is to review the functions, objectives and organization of local Government departments in the light of current policies and requirements and to make recommendations on streamlining local administrative machinery and eliminating duplication and overlapping. The second project is rendered necessary by the fact that nationals account for only 15 per cent of the Abu Dhabi civil service staff; field surveys will be conducted and, based on the findings, policy options proposed for gradual localization of posts.

21. At a later stage, the Government may seek UNDP inputs for the recently established Public Administration Development Institute particularly in training and curriculum development, but no specific earmarking of funds is made for the purpose.

Agriculture and fisheries

22. Although agriculture contributes very little to the gross domestic product, primarily due to climatic factors and production bottlenecks, the Government is keen to develop the sector which employs a high percentage of nationals and has in recent years witnessed a rapid expansion, including a doubling of the acreage under cultivation, as well as improvements in productivity. Particular emphasis is being placed on increased food production both to raise farmers' income as well as to lessen dependence on food imports.

23. The Five-Year Plan allocates some Dh. 3.8 billion for projects in this sector during the years 1981-1985, compared with Dh. 1.7 billion spent in the years 1976-1980. It is envisaged that over the next five years the agriculture sector will grow by an annual rate of 10.3 per cent through improvements in productivity, more economic use of water resources (including conservation of groundwater), the development of new water resources and improved agricultural marketing and other services.

24. In pursuance of the Government's policy of providing the prerequisites for continued development of the sector, the third phase of the project Water and Soil Investigations for Agricultural Development (UAE/30/007) was recently approved. The project which started in mid-1981 will have a duration of three years and will continue investigations started during the second phase on crop water requirements, implement improved irrigation systems, expand the applied research programme to new areas, make available to farmers the technical findings through the extension network, establish a pilot farm for demonstration purposes, assist the Ministry of Agriculture in providing farmers with plant protection, irrigation and other services, set up a repair and maintenance network for agricultural machinery and train national personnel. The total cost of the third phase comes to \$2,230,000 of which \$1,858,000 is to be spent during the third country programme period.

25. It is anticipated that in due course this project would lead to the establishment of a Research Department within the Ministry of Agriculture. The Government will decide nearer the time whether UNDP assistance would be sought for the purpose.

26. Since water is the main limiting factor in agriculture, the Government is currently taking steps to strengthen the Water Authority recently set up to promote more economic use of water, conserve existing resources and develop new ones.

27. Complementary to UNDP inputs in agriculture are two FAO funds-in-trust activities under which the Organization provides expertise in agricultural planning, marketing, extension and fisheries.

Industry

28. Sectoral objectives are to attain a high annual rate of growth in manufacturing (27 per cent); improve productivity, quality of production and production methods; promote the use of high, capital-intensive technology; give priority to industries

which use locally available raw materials; reduce regional inequalities through appropriate locational policies; and promote industrial co-ordination and integration with neighbouring Gulf countries, in particular, and the Arab world, in general. The contribution of manufacturing to GDP (value added) is envisaged to rise from 3.8 per cent in 1980 to 10 per cent in 1985.

29. The Government is seeking UNDP assistance to set up an Industrial Advisory Unit (UAE/79/003) within the Federal Department of Industry to formulate short and long-term industrial policies, plans and strategies, draft relevant legislation and prepare feasibility and prefeasibility studies. The project is initially envisaged to be for two years and will cost \$677,000.

Electric power and water

30. There has been a steep increase in demand for water and electricity in recent years, partly due to wasteful consumption, necessitating large capital outlays by both the Federal Government as well as individual Emirates to increase supply. The full integration of the sector has still some way to go.

31. An on-going project, Institutional Support to the Ministry of Electricity and Water (UAE/80/003), is intended to enable the Ministry to fulfil its mandate by improving electricity generation and distribution, upgrading maintenance of related equipment, identifying alternative sources of water, assessing manpower requirements and recommending organizational improvements. The cost of the project, which is to be extended for two years under the third country programme, will come to \$1.5 million.

32. For the past decade, the Abu Dhabi Emirate, the largest and most populous of the Emirates, has been devoting between 20 per cent to 40 per cent of its annual investment budget to water and electricity supply. Total capital expenditure on the sector during 1971-1980 came to Dh. 7.4 billion out of a grand total outlay of Dh. 27.6 billion. For this reason, the Government is requesting UNDP assistance under a new project, Strengthening the Department of Electricity and Water, Abu Dhabi Emirate, to draw up a long-term investment plan for both electricity and water, based on projections of demand and supply. The project is also expected to provide advice on organizational aspects and, through co-ordination with the preceding project, bring about greater institutional integration. The total cost is tentatively estimated at \$1 million.

Transport and communications

33. Organizational and legislative action is contemplated during the next five years in such areas as maritime transport, ship registration, licensing, safety on the seas and combatting pollution. Sectoral objectives include ensuring an efficient and cost-effective administration of ports and airports and facilitating both the movement of people and cargo as well as telecommunications, within the country and to the outside world, speedily and with as little cost as possible.

34. The Government will seek UNDP assistance for strengthening the newly set up Maritime Transport Department within the Ministry of Communications. A sum of \$1 million is being earmarked for the purpose. The Department is expected to develop close links with the regional project Arab Maritime Transport Academy (RAB/80/008) now located in Sharjah.

35. Assistance may be sought at a later stage in the areas of civil aviation safety as well as traffic administration.

36. Under the project, Telecommunications Development (UAE/80/008), The Emirates Telecommunications Corporation (EMIRTEL) is receiving specialized technical expertise and being assisted in drawing up a five-year plan and in training technical manpower. Expenditure on the project during the third country programme period is estimated at \$288,000.

Public works and housing

37. The Government finances a relatively large programme in the sector and is keen that public works should be executed efficiently, on time and within estimated costs. The use of capital-intensive technology is encouraged.

38. A Physical Planning Agency has recently been set up, and the Government will be seeking technical assistance from UNDP to strengthen the Agency at an estimated cost of \$700,000.

39. This proposed activity will be closely allied to an on-going project, Technical Support to the Ministry of Public Works and Housing (UAE/80/004), which has the objective of assisting the Ministry in coping with day-to-day technical problems, training national personnel, improving technical and administrative efficiency in supervising projects and also assisting in formulating long term housing policies. The cost of the project during 1982-1986 is anticipated to be in the region of \$1,259,000.

Employment and human resources

40. Manpower issues are accorded pre-eminence in the Plan. Central to the Government's strategy in the sector is the formation of a national cadre trained in critical skills and the correlation of manpower requirements to development needs. The employment structure will be geared towards improving economic performance and a balanced package of social services made available to meet the needs of the population in such areas as education, health, culture and social welfare. Vulnerable and less advantaged groups will receive special attention.

41. The participation of women in development in the UAE is concentrated in two areas: teaching and nursing. Women represent no more than five per cent of the total labour force; the participation of UAE women is probably less than one per cent. Participation rates have been shown to increase sharply with higher educational attainment, particularly at the university degree level. Greater participation of national women in economic activities is to be encouraged in order to reduce the country's heavy dependence on foreign labour.

42. The main objective of the on-going project, Strengthening of Women's Handicraft Centre (UAE/80/009), is to provide technical assistance to the Centre's management, training programmes and handicraft production activities. The project is also carrying out an extension programme for women throughout the Emirates in close co-operation with Social Development Centres. Upon completion of their training, women are encouraged to establish their own co-operatives. A central permanent handicraft exhibition has been organized. The project will continue until the end

of 1983 and total cost during the third country programme will come to \$668,000.

43. It is proposed that as a first step in launching a large vocational training programme, the Establishment of the Vocational Training Department (Phase I) (UAE/80/00) be undertaken at a total cost of \$394,000. The Department will be expected to develop overall training policies and plans, design special training schemes for target groups, including the under-employed, and work towards the setting up of multi-purpose vocational training centres. An amount of \$2.5 million is being earmarked for Phase II involving the establishment of Vocational Training Centres.

44. As a follow up to an ILO institutional support project under funds-in-trust, the Government is seeking UNDP assistance for two years for the strengthening of social welfare services, including vocational rehabilitation of the handicapped. An amount of \$500,000 is being earmarked for this activity.

45. UNDP assistance will also be sought in developing an Employment and Critical Skills Programme for the Abu Dhabi Emirate with a view towards eliminating disguised unemployment and matching the output of the educational system (university, technical institutions) more closely to the critical needs of the economy. A provision of \$1.4 million is being made for this programme.

Education

46. It is the Government's objective to provide equal opportunity of access to education in all the Emirates and to reduce illiteracy. The sectoral plan for education calls for upgrading teacher skills, developing curricula, doubling kindergarten-level students and increasing primary school entrants at age six from 75 per cent of that age group in 1980 to 95 per cent in 1985.

47. With that in mind, the Government is requesting UNDP assistance to set up an Intermediate College for Preparation of Kindergarten and Primary School Teachers (UAE/82/001) with the objective of training national female teachers and administrators for the early school stages at the rate of 100 to 150 every year. An initial earmarking of \$2.1 million is being made for this project which will, in the first instance, be for a duration of three years starting mid-1983. A second phase also for three years is foreseen.

48. Since mid-1979 UNESCO has been providing institutional support to the Ministry of Education and Youth under a funds-in-trust arrangement, with particular emphasis on planning, organization, curriculum development and teacher training among other things. This activity is scheduled to terminate in mid-1982 and at a later stage the Government may request UNDP to provide assistance towards a follow-up activity of consolidation. No earmarking is made for the purpose in the country programme.

Health

49. The Government is keen to improve health services, both qualitatively as well as quantitatively, and to ensure that adequate services are available in all parts of the country. The Ministry of Health will require support in such areas as health planning, preventive medicine, health control and management of health services.

50. To deal with environmental health matters, the Government has set up an environ-

mental Committee for which technical support is to be sought from UNDP at an estimated initial cost of \$500,000.

Other related programmes

51. The UAE Government has entered into several technical co-operation agreements bilaterally. These related primarily to the transfer of technology and training of UAE nationals. Technical assistance is also obtained from regional organizations and, more importantly, through direct Government recruitment of experts.

52. United Nations assistance from sources other than the IPF has been received from UN/DTCO, FAO, ILO, UNESCO, UNFPA and UNICEF. Approved projects include:

- National Computer Centre (UAE/FIT/79/X01);
- Population Census (UAE/75/P01);
- Institutional Support to the Ministry of Labour and Social Affairs (UAE/FIT/79/001);
- Advisory Assistance to the Ministry of Agriculture and Fisheries (UTFN/UAE/003);
- Advisory Assistance in Agricultural Planning and Programming (UTFN/UAE/004);
- Institutional Support to the Ministry of Education and Youth (UAE/FIT/UNESCO/7).

Apart from the Population Census, all these activities are being financed under funds-in-trust arrangements. The total cost of approved assistance under funds-in-trust during the third cycle is estimated at \$2 million.

Participation in regional and interregional projects

53. In line with its policy of promoting regional and subregional co-operation and integration, the UAE Government fully supports intercountry projects especially those that involve members of the Gulf Co-operation Council. The UAE hosts the project Arab Maritime Transport Academy (RAB/80/008) and will be the base for the project Arab Institute for Banking and Financial Studies (RAB/81/003). The Government will continue its active participation in and appreciable financial support to FAO agricultural projects, as well as UNDP-supported regional projects, particularly Civil Aviation Training College (Gulf States) (RAB/74/001); Research on Shrimp Resources of the Gulfs (RAB/80/015); and Development of Fisheries in the Gulfs (RAB/81/001).

Finances: cost sharing

54. IPF resources for 1982-1986 are estimated at \$1 million. Of this amount \$500,000 is being kept as a reserve to meet unforeseen needs or bridge any short-fall in project financing.

55. Most of the projects under the third country programme will be financed through 100 per cent cost-sharing, and total resources for the cycle are expected to be in excess of \$27 million. No financial provision has been made for certain anticipated activities, but these will be covered when the time comes by additional Government cost sharing contributions as appropriate.

56. Since financing has been calculated on a project-by-project basis, and project budgets take account of inflation, no aggregate reserve under Government cost sharing is considered necessary.

Annex

FINANCIAL SUMMARY

A. <u>Resources</u>		\$		
(a) IPF and other resources				
(i)	Illustrative IPF for programme period	1 000 000		
(ii)	Carry-over from previous IPF cycles	-		
(iii)	Other resources: Government cost sharing	26 616 000		
(b) Provision for adequate programming		-		
TOTAL		27 616 000		
B. <u>Use of resources</u>				
(a) Programmed				
(i)	Ongoing projects	6 580 000		
(ii)	New projects and new phases included in the country programme	20 336 000		
(iii)	Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	-		
Subtotal		26 916 000		
(b) Reserve		500 000		
(c) Unprogrammed balance <u>a/</u>		200 000		
TOTAL		27 616 000		
C. <u>Financial distribution of programme, by sector</u>				
<u>Sector b/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>TOTAL</u>	
	\$	\$	\$	
02	General development issues, policy and planning	330 000	10 242 000	10 572 000
03	Natural resources	1 500 000	1 000 000	2 500 000
04	Agriculture and fisheries	1 858 000	-	1 858 000
05	Industry	677 000	-	677 000
06	Transport and communications	288 000	1 000 000	1 288 000
09	Human settlements	1 259 000	700 000	1 959 000
10	Health	-	500 000	500 000
11	Education	-	2 100 000	2 100 000
12	Employment	668 000	4 794 000	5 462 000
TOTAL		6 580 000	20 336 000	26 916 000

a/ Representing 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.

