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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR
SAUDI ARABIA

Note by the Administrator

Programme period

1983-1986

Illustrative IPF for 1982-1986

\$10 million

I. Nature of the programming exercise

1. The third country programme for Saudi Arabia was prepared by the Agency for Technical Co-operation Administration, which is attached to the Presidency of the Council of Ministers. For the purpose of the programming exercise, an over-all analysis of the third Five-Year National Development Plan (15 May 1980-21 March 1985) was undertaken in the context of technical co-operation needs. Sectoral studies, completed by relevant ministries and some United Nations specialized agencies, were reviewed as well. Additionally, reports of evaluation missions covering UNDP-assisted large-scale projects were taken into account.

2. Following these reviews, discussions between the Government and the UNDP Resident Representative were held at both the over-all and sectoral levels. In the light of these discussions and bearing in mind technical co-operation activities taking place in Saudi Arabia on a bilateral basis, the Agency for Technical Co-operation Administration prepared the document containing the Third Country Programme in close collaboration with the Resident Representative.

* The Notes by the Administrator concerning the previous country programmes for Saudi Arabia were issued under the document symbols DP/GC/SAU/R.1/RECOMMENDATION and DP/GC/SAU/R.2/RECOMMENDATION.

II. Relation of the country programme to national development objectives

3. The Third Development Plan, formulated within the framework of fundamental values and principles set forth in the previous two national development plans, incorporates the following strategy of development:

(a) Diversification of the economic base through the development of the productive sectors, such as agriculture, industry and mining; and the development of physical infrastructure;

(b) Increasing participation in social development through public information activities, religious and social guidance, and adoption of measures to involve citizens in benevolent societies, community development and literacy campaigns;

(c) Increasing economic and administrative efficiency through administrative development, manpower planning and development, and improved fiscal management;

(d) Development of a balanced pattern of economic growth by assisting regions and rural areas to expand productive activities in order to retain their populations; extension of the distribution of services; avoidance of over-concentration of resources in urban areas, and encouragement of the development of "growth poles";

(e) Development of the Kingdom's manpower resources to reduce dependence on expatriate labour; and

(f) Promotion of economic co-operation in the Arabian Gulf region.

The Third Plan projects a growth of 6.2 per cent per annum in the non-oil sectors of the economy as compared to 15.2 per cent during the Second Five-Year Plan. The non-oil sectors' share of the gross domestic product (GDP), however, is expected to increase.

4. The major thrust of UNDP-assisted technical co-operation activities during the period of the second country programme (1977-1982) was on developing the institutional capability of various sectoral agencies through manpower development and advisory services. Co-operation was also extended to the development of infrastructure, the planned spatial development of metropolitan areas, and community development. The bulk of the second programme continues to be germane to the goals and priorities of the Third Development Plan and, thus, will be carried over into the period of the third country programme.

5. The Government of Saudi Arabia, in deciding on the selection of projects and activities for the third country programme, has used the following criteria:

- (a) Continuation of relevant projects of the second country programme with such modifications as may be necessary to fulfill the objectives of the Third Development Plan;
- (b) Identification of new projects designed to help attain important national development objectives and priorities;
- (c) Emphasis on projects which are of regional significance;
- (d) Emphasis on projects which contribute towards the development of local institutions and improvement of indigenous manpower capabilities; and
- (e) Emphasis on projects which contribute to the spreading of the benefits of development among all areas of the Kingdom through comprehensive socio-economic development.

III. Content and phasing of the country programme

6. The resource base for the third country programme and related United Nations system technical co-operation activities was established by the Government during the preparation of the programme, which took place in 1981. The necessary budgetary appropriations were then made by the Government in May 1982. These appropriations, covering funds to be disbursed under both UNDP cost-sharing and agency funds-in-trust arrangements, covered the entire five-year period 1982-1986, and, accordingly, the financial summary provided in annex I of the country programme document should be read in conjunction with the financial information provided in table 1 of the document.
7. Both table 1 and annex I include allocations for "linked funds-in-trust" arrangements. These funds, while provided by the Government directly to the executing agencies concerned, cover objects of expenditure that are linked to UNDP-assisted projects. Projects financed from linked funds-in-trust budgets constitute for all practical purposes an inseparable part of a unified programme, the remainder of which is financed from the UNDP indicative planning figure (IPF) and Government cost-sharing contributions.
8. Including linked funds-in-trust arrangements, the funds programme for the third country programme amount in value to almost \$240 million. Of this, 70 per cent has been allocated to transport and communications; 13 per cent to general development issues, policy and planning; 8.2 per cent to agriculture, forestry and fisheries; and 4.4 per cent to natural resources. The remainder is shared by industry, science and technology, education, and social conditions and equity.
9. While based on the objectives and priorities of the Third Development Plan, the third country programme responds also to international development policies and priorities. The Government states in the country programme document that "the general strategy and objectives of the Third Development Plan are in line with the various resolutions of the General Assembly of the United Nations relating to development such as the resolutions for the establishment of the New International Economic Order and the resolutions on economic and technical co-operation among developing countries".

10. The central theme of the third country programme is the development of the Kingdom of Saudi Arabia's human resources. As stated by the Government in the country programme document, this is an appropriate reflection of the relative situation pertaining to the factors of production in the country.

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