

Government of the Kingdom of Saudi Arabia

Ministry of Foreign Affairs



United Nations Development Programme



Project Document

**"e-Services & e-Transactions Development & Knowledge Society at MOFA :
Phase #1"**

Brief description

This project is a new development of an IT component that will result in sustainability & strengthening the base of the embassies and MOFA through competitive ICT at MOFA that provides more Technical Assistance for increasing work productivity & efficiency. The project plans to update & standardize the ICT infrastructure in MOFA, increase the diffusion & utilization of ICT. Anywhere anytime of e-Services, e-Transactions, e-Communications, and e-Information; are provided to G2G , G2C , G2B and G2E. Work environment is transferred to Knowledge Society & management. Skilled & knowledgeable employees capacity are built through Continuous training/learning. The objectives keep in mind users satisfaction with one stop, easy, secure & fast services, as well as contributing to digital economy & contributes in providing an attractive environment for investment in KSA.



SIGNATURE PAGE

Country: Kingdome of Saudi Arabia

Expected Outcome(s)/Indicator (s):

Increased work productivity, efficiency & improved economy.

Expected Output(s)/Indicator(s):

[Redacted]

Implementing partner:

Ministry of Foreign Affairs MOFA

Other Partners:

Ministries, Private Sector, Citizens, Foreigners, MOFA Employees, UNDP

Programme Period: 3 years
 Programme Component: _____
 Project Title :
'e-Services & eTransactions Development & Knowledge Society at MOFA Phase #1'
 Project ID: 00054687
 Project Duration: 01/1/2007-31/12/2009
 Management Arrangement: NEX

Budget: USD 3,600,000 plus turnover from previous budget.
 General Management Support Fee _____
 Total budget: _____
 Allocated resources: _____
 • Government _____
 • Regular _____
 • Other: _____
 ○ Donor _____
 ○ Donor _____
 ○ Donor _____
 • In kind contributions _____
 Unfunded budget: _____

Agreed by (MOFA): H.H. Prince Khalid Bin Saud Bin Khalid,
Director General of Administration & Finance Department

Agreed by (UNDP): H.E. Mr. El-Mostafa Benlamlah,
UN Resident Coordinator &
UNDP Resident Representative

14 Jan 2007



Part I. Situation Analysis

I.a Global

With the advent of the Internet and especially the WWW¹, businesses, government agencies have used ICT² to provide public services to businesses and individuals. Much government information is being made available on-line, and many government services, such as procurement, passport renewal, driver's license, auctions, are being conducted on-line, e.g. FirstGov³[1]. There is an increasingly strong evidence suggests that ICTs are contributing to productivity and economic growth in the overall economy. Productivity growth is especially evident in ICT-producing sectors of the economy, but evidence of positive effects in IT-using sectors exists as well. The cost savings from electronic government are potentially large. Movement from paper-based to Web-based processing of documents and payments typically generates administrative cost savings of roughly 50% more for highly complex transactions [NSF, 2]. E-government depends largely on the ICT Diffusion index⁴, which in turns have a strong relation with income per capita, Fig.(1), [ICTDI, 3].

It has been also reported that ICT is having substantial impacts on economic performance, in particular when it is combined with investment in skills, organizational change, and innovation [OECD, 4]. ICT investment has contributed to GDP growth in OECD countries up to 0.9%⁵.

Table (1-3) show the E-government index⁶ of top 25 countries of the 191 Members States of the UN, the Regional index and that of the western Asia respectively[Global E-Gov. index ,5]. The ranking of Saudi Arabia has improved in 2005 if compared with 2004 by 10 ranks. One Target of MDG⁷ #8 is, in cooperation with private sector; make available the benefits of new technologies, especially ICTs. In the EU⁸, it was found that the E-government on-line availability indicator (that represents the percentage of the 20 basic services, which are fully available online), ranges from 89% in Austria to 10% in Latvia [Eurostat, 6]. Although accesses to ICTs is growing steadily, but digital divides persists worldwide and within countries [MDG, 7].

For effective e-government development, political commitment to harnessing the benefits of ICTs, a well thought-out vision, and do-able objectives are important markers for successful e-government development. Culture resistance is more weighted as risks of failure of e-Government projects in developing countries rather than technology [8]. Change management is critical factor to maximize the collective benefits and minimize the risk of failure of e-government projects [Heart of Change, 9].

Figure 1. ICTDI vs. GDP per capita, 2004

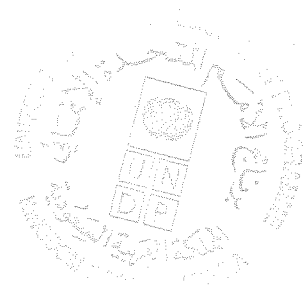
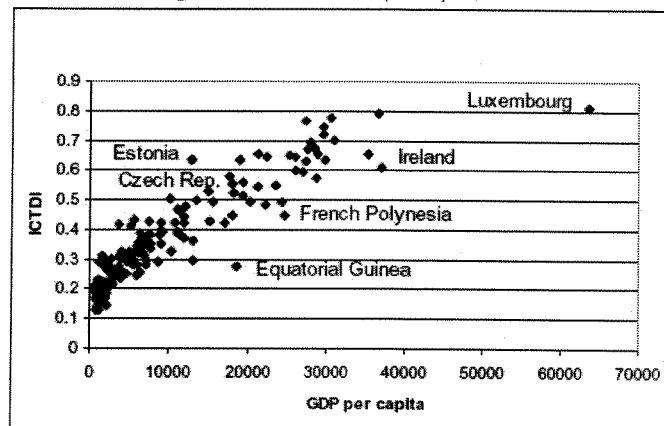


Table 1 E-Gov Index-top 25

	Country	Index
1	United States	0.9062
2	Denmark	0.9058
3	Sweden	0.8983
4	United Kingdom	0.8777
5	Republic of Korea	0.8727
6	Australia	0.8679
7	Singapore	0.8503
8	Canada	0.8425
9	Finland	0.8231
10	Norway	0.8228
11	Germany	0.8050
12	Netherlands	0.8021
13	New Zealand	0.7987
14	Japan	0.7801
15	Iceland	0.7794
16	Austria	0.7602
17	Switzerland	0.7548
18	Belgium	0.7381
19	Estonia	0.7347
20	Ireland	0.7251
21	Malta	0.7012
22	Chile	0.6963
23	France	0.6925
24	Israel	0.6903
25	Italy	0.6794

Table 2 E-Gov Index- Regional

	2005	2004	2003
North America	0.8744	0.8751	0.8670
Europe	0.6012	0.5866	0.5580
South & Eastern Asia	0.4922	0.4603	0.4370
South & Central America	0.4643	0.4558	0.4420
Western Asia	0.4384	0.4093	0.4100
Caribbean	0.4282	0.4106	0.4010
South & Central Asia	0.3448	0.3213	0.2920
Oceania	0.2888	0.3006	0.3510
Africa	0.2642	0.2526	0.2460
World Average	0.4267	0.4130	0.4020

Table 3 E-Gov index- Western Asia

	Index	Rank in:		Change	
	2005	2005	2004		
1	Israel	0.6903	24	23	-1
2	Cyprus	0.5872	37	40	12
3	United Arab Emirates	0.5718	42	60	18
4	Bahrain	0.5282	53	48	-7
5	Turkey	0.4960	60	57	-3
6	Qatar	0.4895	62	80	18
7	Jordan	0.4639	68	68	0
8	Lebanon	0.4580	71	74	3
9	Kuwait	0.4431	75	100	25
10	Saudi Arabia	0.4105	80	90	10
11	Georgia	0.4034	83	94	11
12	Azerbaijan	0.3773	101	89	-12
13	Armenia	0.3625	106	83	-23
14	Oman	0.3405	112	127	15
15	Iraq	0.3334	118	103	-15
16	Syrian Arab Republic	0.2871	132	137	5
17	Yemen	0.2125	154	154	0
Average	0.4384				

Digital Economy

Digital economy can be defined as the dynamic system of interactions of citizens, the business, and e-government that capitalize upon online technology to achieve social economic implications, Figure (2). Many observers believe advances in ICT, driven by the growth of internet, have also contributed significantly to creating healthy economy and productivity increase.

The growth will be driven by four activities: internet, e-Commerce, & e-Business, digital delivery of goods, and services [ESA, 10]. E-Government plays an important part in this regard, but to be effective its internet applications must support full e-Transactions⁹ [UNCTAD, 11]. The success of the USA economy in achieving high productivity growth may be attributed to skilled and flexible labor force, technology advance, innovations in business practice, pursuit of economic policies that favor investment, and promotion of economic opportunities in all the society [Committee of Economic Development, 12]. Digital economy can be assessed by four indices: Environment¹⁰, Readiness¹¹, Uptake and Use¹², and Impact¹³ [IAP,13]. However, the importance of ICT on digital economic also created new challenges such as adequate user's skill, protecting users from cyberfraud and the inevitability of broadband networks¹⁴.

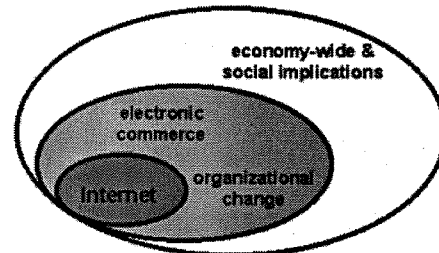


Figure (2) The Digital Economy Model

I.b Saudi Arabia¹⁵

The E-government readiness index of Saudi Arabia has been improved to 0.4105 on 2005 if compared with its readiness in 2004, while the USA is the world leader with index of 0.9062. Saudi Arabia' ICT diffusion index is 0.364, with Luxemburg at the top with ICTD index of 0.815.

I.c MOFA

Table (3) summary MOFA's ITC Accomplishments as 2005.

▪ Ongoing IT Applications	18
▪ eVisa	
Issued eVisa by embassies [^]	6.2 million
Applied eVisa online via MOFA Portal by authorized Companies, families, individuals& MOFA ^ε	2.8 million
Applied eVisa via Leased Lines by MOH, & MOI ^ε	3.2 million
Productivity Increase using eVisa	92%
Efficiency increase using eVisa	95%
▪ Penetration*	
PC	93%
Communication equipment	260%
E-Mail accounts	85%
Network points penetration	96%
▪ Networking	
Availability	98%
Speed	2-3 Mb/s
▪ Utilization*	
E-Mail users	45%
Internet users	57%
▪ eServices [§]	
Full eServices	6%
Semi-eServices	27%
▪ Anti-Viruses or Intruders protection	100%
▪ Online Presence	
Webs	8
Portal	1
[^] individual Visas ^ε Difference between issued & applied eVisa may be attributed to some applications are for family & some Visas are issued directly by embassies. * per 100 users. [§] per total number of services.	



Part II. Strategy

The Saudi National 8th Plan [14] took into consideration both the global and local challenges facing the kingdom, Table(4).

Global challenges	Local challenges
Continuous formation of regional economic agglomeration, the increase importance of science and technology, the increase of importance of information and knowledge as competitive factor compared with raw materials, the persistence of the contribution of ICT revolution to the growth of international trade, WTO.	High growth of population, increase of employment demand, slow responds to technology of some sectors, High consumption of strategic recourses.

The goals of the National 8th Plan includes (among others): more jobs opening, human capacity building, and variation of economy, competitiveness, and productivity, Information Technology industry, Development of Science and Technology and Information Technology for economic growth. In the directions, recently the custodian of the two holly mosques approves the allocation of S.R. 3 billion for the implementation of the e-Government first phase national action plan projects (Electronic Transaction), commencing at the current fiscal year 1426 / 1427 H and spanning the coming five years [Yesser, 15].

8th SNP Goals :

- E-Transactions: G2C, G2B, and G2G
- Increased Productivity and Efficiency.
- Enhanced Quality of Governmental Services.
- Information Society.
- Improving investment climate towards economic growth.
- KSA Resources are used appropriately.
- Poverty reduction.

MOFA Goals

1. Utilizing ICT for the following goals by the year 2010 ¹⁶:
 - increasing productivity & efficiency ,
 - enhancing secure, high quality, integrated and easy e-Service¹⁷ ,e-Transactions and online information , 24x7 (any where any time), to all G2G, G2C, G2B and G2E
 - Providing an attractive environment for investment.
2. Improving ICT activities for developing governmental integrated eTransactions among various sectors to enhance government performance in general¹⁸.



MOFA Objectives:

1. Updated & standardized ICT infrastructure.
2. Increased ICTD.
3. internet and email users increased to 90%
4. (24x7) & anywhere of e-Services,e-Transactions, e-Communications, and e-Information; for G2G , G2C , G2B and G2E.
5. Increased e-Services to reaches 75% of total services.
6. 80% of users are satisfied.
7. Knowledge Society evolved.
8. Skilled & knowledgeable employees through Continuous training/learning

SWOT Analysis

A-Internal
▪ Strengths
▪ ICT infrastructure.
▪ Top management Support.
▪ Skilled ICT staff.
▪ Weakness
▪ Users limited IT skills
▪ Low Awareness
▪ Resistance to change
B-External
▪ Opportunities
▪ The approval of the Custodian of the Two Holy Mosques King Abdullah, of the allocation of S\$3 billion for the e-government program.
▪ Home-PC Plan
▪ Linearization Strategy Plan for Saudi ICT Market
▪ Threats
▪ Regulations and legalization of using eTransactions ¹⁹ are not yet realized ²⁰ (<i>responsibility: MCIT²¹ and MOF²²</i>)
▪ National PKI ²³ is not yet realized ²⁴ (<i>responsibility: Yeaser, 14]</i>)
▪ Cyberfraud (<i>responsibility: MOFA</i>)
▪ Relatively low competitive ICT sector, Relatively low internet users penetration due relatively high cost of internet access Relatively low PC & DSL penetration ²⁵ (<i>responsibility: CITC²⁶& MCIT</i>)



Part III. Management Arrangements

The Information Technology and Communication (ITC) Division of the Ministry of Foreign Affairs (MOFA) following the NEX modality of UNDP will execute the project. The Ministry appoints a National Project Director (NPD) who will be delegated the authority of day-to-day management of the project as well as liaising with UNDP office for the efficient provision of project inputs and the delivery of project results.

In addition to the assistance that UNDP normally provides to projects during their life cycle, the UNDP country office will provide further support to the Ministry of Foreign Affairs to facilitate the work responsibilities as follows:

- a) Support to Project Implementation and Reporting: The UNDP Country Office will assist MOFA in fulfilling the reporting requirements.
- b) Direct payments: UNDP may be requested by MOFA to make direct payments to other parties for goods and services provided to the project. MOFA must forward to UNDP country office a standard form "Request for Direct Payment", duly completed and signed. **UNDP must transfer / pay check to the beneficiaries within 3 working days.** Documentation of payment by UNDP country office must be made available to the Ministry of Foreign Affairs who will also keep a record of their authorization requests.
- c) Knowledge: UNDP will help MOFA in provision of the necessary knowledge /information relevant to the execution of the project.

Part IV. Monitoring and Evaluation - minimum one paragraph, suggested maximum two pages

- a) UNDP will provide MOFA with report on the expenditures of the project on quarterly basis **and/or as MOFA may needs within one working days.**
- b) MOFA will provide progress report on yearly basis

Part V. Legal Context

This project document shall be the instrument referred to as such in Article I, paragraph 1, of the Standard Basic Assistance Agreement between the Government of the Kingdom of Saudi Arabia and the United Nations Development Programme, signed by the two parties on 3 Muharram 1396 (4 January 1976).

The Government Executing Agency shall for the purpose of the Standard Basic Assistance Agreement, represent the Government Co-operating Agency described in that Agreement.

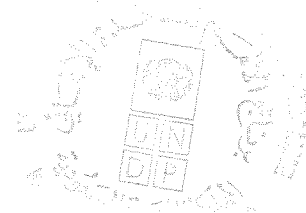
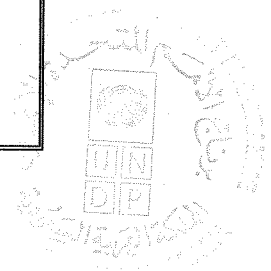
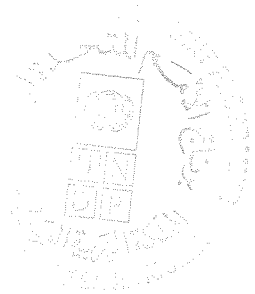


Table (4) PROJECT RESULTS AND RESOURCES FRAMEWORK*

Intended Outcome as stated in the Country Results Framework: Assign a number to each outcome in the country programme (1, 2,.....).			
Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target.			
Applicable MYFF Service Line:			
Partnership Strategy			
Project title and ID:			
Intended Outputs	Output Targets (for 3 years)	Indicative Activities	Inputs (US\$)
<ol style="list-style-type: none"> 1. Productivity & Efficiency Improved. 2. Digital Economy Environment ; Economic growth Supported ; Attracting investment. 3. Sustained enhancement of Capacity of IT Users & IT Staff ; Knowledge Society built 4. ICT Infrastructure Improved. 	<ol style="list-style-type: none"> 1. E-transactions provided. 2. High quality e-Services provided. 3. E-Procurement established 4. Use of e-Services increased to 75% 5. User's satisfaction increased to 80%. 6. 24x7 anywhere e-services. 7. 24x7 anywhere access to governmental information. 8. E-Communication with other governmental agencies. 9. ITC Capacity Improved. 10. Building knowledge society. 	<p>Human Capacity Development:</p> <ol style="list-style-type: none"> 1. Continuous Training of users on IT Skills. 2. Change Management Plan 3. IT awareness campaign & workshops. 4. Sharing information & knowledge via "ba" model[16]. <p>Infrastructure:</p> <ol style="list-style-type: none"> 1. Standardization and updating of ICT infrastructure. 2. Implementing GPSN²⁷ 3. Update MOFA Portal 4. Integration of E-Services in Portal 5. Broadband Networking 6. Increasing ICT diffusion. 7. Anti Cyberfraud Security Plan. 8. RAP²⁸, DRP²⁹ & BRP³⁰ 9. PKI procurement 10. Digital regulations. 	<p>300,000 for ITC & 600,000 for Information Center.</p>



	<p>11. E-Readiness rose. 12. E-Security improved.</p>	<p>▪ Applications 1. Process re-engineering in MOFA and Embassies. 2. Process re-engineering with other governmental agencies. 3. Change to E-Forms 4. Activate BPM³¹ System 5. Spread use of email 6. Spread use of internet</p>	
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References:

- [1] FirstGov (<http://www.firstgov.gov/>)
- [2] "Significance of Information Technology", Science and engineering Indicators, NSF, 2002.
- [3] "The Digital Divide Report: ICT Diffusion Index 2005, UN Conference on Trade & Development", UN, New York & Geneva, 2006.
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- [15] Yesser, available at : <http://www.yesser.gov.sa/>
- [16] "ICT and Knowledge Framework for Sustainable Development", Ghassan Adnan AlKutbi & Abobakr Sultan Ahmed, 18th National Computer Conference, pp.251-258, Riyadh, KSA, March 2006.

Endnote

¹ WWW: World Wide Web.

² ICTs: Information & Communication technologies.

³ FirstGov is the USA single on-line portal that connects users to all government sites and has one of the largest collections of Web pages in the world. The site allows users to search all 27 million Federal agency Web pages at once and provides more than 100 online services.

⁴ ICT diffusion index: is a composite Index of Connectivity (Hosts, PCs, Phones, Mobiles) & Access Index (internet users, Literacy, Cost of local calls, GDP).

⁵ OECD Key ICT Indicators, OECD Productivity Database, September 2005.

⁶ E-Government index: is a composite index of Web measure index (progressively & sophistication of services) & Telecommunications Infrastructure Index

⁷ MDG : Millennium Development Goal.

⁸ EU: European Union



⁹ E-Transactions: may be defines as the buying & selling of goods or services on the Internet, with immediate confirmation or denial back to the requester. However sometimes it may refer to an exchange or transfer of goods, services, or funds.

¹⁰ Environment: Market, Political, and Infrastructural.

¹¹ Readiness: of Citizen , Business, and Government.

¹² Uptake and Use: of Citizen, Business, and Government level of use.

¹³ Impact: of Citizen , Business, and Government on spending/cost/work

¹⁴ Today, the term broadband typically describes recent Internet connections that range from 5 times to 2000 times faster than earlier Internet dial-up technologies. However, the term broadband does not refer to either a certain speed or a specific service. Broadband combines connection capacity (bandwidth) and speed. The ITU defines broadband as a "transmission capacity that is faster than primary rate Integrated Services Digital Network (ISDN) at 1.5 or 2.0 Mbits. Technologies used may be DSL, Cable modem, Fiber optic or, WLAN.

¹⁵ For more details, see "Draft country programme document for Saudi Arabia (2007-2011), Executive Board of the UNDP & of the UN population Fund, July 2006.

¹⁶ The address of Prince Saud al Faisal Minister of Foreign Affairs at the annual session of Saudi Arabian Ambassadors Overseas. 1/12/2006.

¹⁷ E-Services: The four types of e-government e-services are (G2C), (G2B), (G2E), and (G2G). Example may be governmental information, Visa applications, license renewals, ordering of certificates, filing personal data, accounting, finance systems, HR,... etc. Through Singapore's e-citizen portal, Singaporeans are able to access about 1,600 e-services pertaining to business, health, education, recreation, employment, and family. Of this, 1,300 e-services are completely transacted by citizens with government online. About 77% of public services deemed feasible for e-delivery were enabled for online delivery.

¹⁸ Board of Ministers' supreme decision #40

¹⁹ The aim of the required regulation is to facilitate and legalize the use of electronic documents and signature in communications, e-Transactions & Services by ensuring the validity and legal effect as that of paper system.

²⁰ (<http://www.yesser.gov.sa/progs02.asp?menu=Plans&id=p2>)

²¹ Ministry of Communications and Information Technology (

²² Ministry of Finance

²³ PKI: Public Key Infrastructure, a system of digital certificate, certificate authorities that authenticate every party involved in internet transactions

²⁴ <http://www.mcit.gov.sa/home.asp?l=AR&p=171>

²⁵ Arab World Compositeness Report, 2005 & The Economist Intelligence Unit, the e-Readiness report, 2006.

²⁶ Communications & Information Technology Commission

²⁷ GPSN: Global Private Satellite Network

²⁸ RAP: Risk Assessment Plan

²⁹ DRP: Disaster Recovery Plan

³⁰ BRP: Business Resumption PLAN

³¹ Business Process Management