

UNITED NATIONS DEVELOPMENT PROGRAMME
United Nations Department of Social and Economic Affairs (UNDESA)
Project of the Government of the Kingdom of Saudi Arabia
Ministry of Transport (MOT)

Road and Transport Management Project Phase II

SAU/10/51658

Brief Description

Since 2002 the Ministry of Transport (MOT) is pursuing the development of Saudi Arabia's National Transportation Strategy (NTS), which has been facilitated by a UN technical assistance project. MOT considers the continuation of technical assistance critical in achieving the strategic goals, therefore a succeeding project for the period 2007 to 2011 has been agreed to further support the NTS implementation and strengthening of MOT's administrative capacities. In accordance with the UNDP CPAP (2006 – 2010) and Saudi Arabia's 8th Development Plan, the project contributes to the formulation of policy options and development of specific programmes, processes, and action plans for the transport sector. In addition administrative capacities of MOT shall be strengthened by new concepts and applications for the MOT transport database and a GIS platform.

The project is being implemented by the MOT through national execution and UNDESA is the designated UN implementing agency. Project inputs comprise technical assistance provided by selected international and national experts, thus delivering essential inputs to the MOT in implementing NTS and enhancing administrative capacities.

Country: Kingdom Of Saudi Arabia

UNDAF Outcome(s)/Indicator(s):

(Link to UNDAF outcome., If no UNDAF, leave blank)

Expected Outcome(s)/Indicator (s): Effective and Efficient Transport Sector

Expected Output(s)/Indicator(s): 1- Implementation of the National Transport Strategy (NTS)
2- Strengthening of Public Administration

Implementing partner: Ministry of Transport

Other Partners: UNDESA

Project Number: Project Title: Road and Transport Management Estimated Starting Date: 1 st January 2007 Estimated End Date: 31 st December 2011 Duration: 5Years	Total Budget: 5,000000 US\$ Allocated Resources • MOT • Regular • Other (including in-kind contributions) Unfunded Budget:
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Agreed _____ by _____ **(Government):**
Agreed _____ by **(Implementing partner/Executing agency):**
Agreed _____ by _____
(UNDP): _____

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Section I: Project Narrative

Part I: Situation Analysis

The transport sector in the Kingdom of Saudi Arabia comprises various modes of transport including land, air, and marine transport. Each of these components plays a major role in supporting the countries economy and development.

Past and present investments in infrastructure are contributing to a modern and efficient transportation system that connects the expansive geography and diverse topography, as well the developing and fast growing urban and economics zones of the Kingdom.

The Kingdoms highway system has evolved from less then 230 kilometers of paved roads in 1953 to over 146,000 kilometers of roads; of which over 44,000 kilometers are paved highways. Commercial trucking serves as a major national and international goods transport function. Buses and taxis provide important and convenient services between and within urban areas. Similar accomplishments have been made in the construction of six commercial and twenty-two domestic regional airports. Saudi Arabia's main ports constitute the largest port network in the Middle East with increasing importance for the region. The present railway network of the Kingdom is being expended and with its future geographic coverage, railway's role is increasingly significant in providing freight and passenger transport services to the growing economic zones of Saudi Arabia and the entire GCC region.

Equally important and increasingly significant is the evolution of a comprehensive operations and maintenance capability for each of the transport modes, their inter-modal integration, and an adequate regulatory system requiring the active involvement of all concerned organizations and agencies.

The challenge today is to improve management of the whole transport sector so that it will meet the changing social and economic needs of the Kingdom in a safe, efficient and cost-effective manner for generations to come. The requirements and demands upon the transportation sector are significantly different from those faced in the past. While the need for network completion and expansion remains, the primary emphasis in the future will increasingly focus on the operation and maintenance of an essentially completed and maturing system. The demands on the transportation sector will be those not of a rapidly growing economy in the infrastructure development stage, but those of a maturing economy that is seeking a sustainable growth pattern, and a competitive role in the increasingly global world.

These new challenges require a comprehensive and **strategic approach to the development of policies, plans and programs** in an integrated manner across all modes of transportation. Further, this approach must be responsive to the changing global and local economic and technological environments and the evolving state of the Kingdoms resource base and economy.

Since 2002 the Ministry of Transport (MOT) is pursuing the development of Saudi Arabia's National Transportation Strategy NTS. The purpose of the NTS is to "provide an overall comprehensive framework for achieving the national development goals by efficiently managing the transport sector." During Phase I of the NTS, the Ministry of Transport has developed jointly with concerned transport sector agencies the principle strategic framework for the NTS. The agreed vision of the NTS has been formulated as follows: "To develop and maintain a multimodal transportation system, serving the needs of society by ensuring a safe, efficient and technologically advanced transport system that promotes social and economic development and international

competitiveness, and ensures a healthy and secure environment for its citizens”; and the strategic goals entail:

- **Socio-economic development**
Support economic development and enhance international competitiveness and provide good access to health and welfare services for all people
- **Efficiency**
Ensure the sector’s technical, economic and financial sustainability by improving overall performance of public and private transport service providers, by reducing governmental involvement in tasks which can be more efficiently executed by the private sector, and by rationalizing existing pricing and cost recovery schemes
- **Safety**
Develop and implement a coordinated and comprehensive set of safety improvement measures addressing all aspects of the transportation system to reduce the number of transportation related death and the number and severity of transportation related injuries
- **Environment**
Minimize the sector’s negative impact on the environment and create environmental awareness in society
- **National Security**
Support national defense, security and social stability needs and respond to natural and man made disasters
- **Hajj Transport**
Provide a coordinated, multi-modal transport system that meets the unique and special travel needs of Hajj, in a safe and efficient manner

The Road and Transport Management project which delivered expertise and technical assistance to the MOT since 2001 has been instrumental in facilitating the work of the NTS technical committee and setting up the strategic framework and work plan for the NTS development phases II and III. The present project duration will end in 2006, however, the project parties are of the opinion that there is a strong need to continue with the support for NTS implementation and further strengthen MOT’s capacities, hence it has been agreed to set up a succeeding project with duration of 5 years from 2007 to 2011.

Part II: Strategy

1 RATIONALE

Context with Saudi Arabia’s National Development Plan

The vision for the transport sector of the **Eights Development Plan of the Kingdom of Saudi Arabia** for the period 2005 – 2009 is "to provide an integrated transport sector comprising all modes of transport in line with the future needs of the Kingdom, characterized with safety, efficiency and technological advancement and contributes to

enhancement of economic development and competitiveness of the Kingdom at the global level and ensures a healthy, safe environment for the members of the society". The Plan also stipulates key objectives for the development, which are corresponding with the strategic goals of the NTS.

Further the Eights Development Plan identifies a set of policies for the transport sector, which are seen to be vital for the achievement of the objectives, and defines particular targets that are expected to be achieved until 2009. These targets include particularly **“Finalizing the preparation of the National Transportation Strategy”**, thus setting a specific target for MOT in this regard. The level of priority the Government attaches to NTS underscores the importance of this project for MOT, whereby planned project activities and outputs are understood to be critical for achieving this target.

Relevance to the UNDP Country Programme Action Plan

The present UNDP Country Programme Action Plan (CPAP) for the period 2006 to 2010 has been established in cooperation with the Government. The major thrust of the programme is to support the Kingdom to benefit from the global economy heralded by the WTO in a set of measurable, time-bound and specific targets for the development of the various sectors of the economy. Agreed interventions to achieve those targets include **“Enhancing public sector performance to increase service delivery and productivity”** which is most relevant for the development of the Saudi Arabia’s transport sector and its administrative institutions.

Subsequently the UNDP strategic areas of support include technical assistance for the implementation of the National Transportation Strategy, thus working towards an effective and efficient transport sector. The **“Road and Transport Management Project”** of the MOT has been framed in compliance with the framework of the CPAP and represents an important intervention, which shall lead to particular results regarding strategic policies for Saudi Arabia.

UNDP Results Framework for Saudi Arabia (2006-2010)

Objective 3: Enhancing public sector performance to increase service delivery and productivity

UNDP: Strategic areas of support	UNDP: Intended outcomes	Indicators of outcome or purpose	Outputs, including key output indicators, where needed
Technical assistance for implementation of National Transportation Strategy	Effective and Efficient Transport Sector	The role of public and private sector enhanced	Safe and accessible transport system achieved

Source: UNDP CPAP (2006 – 2010)

2 PROJECT OBJECTIVES

2.1 Overall Objectives

The Vision and goals of the NTS were identified during Phase I NTS Development and a work plan has been agreed by the NTS Technical Committee to identify, evaluate and discuss major issues that support the achievement of the strategic goals of the NTS, and to formulate policy options for discussion and adoption, and to develop specific programmes, processes, and action plans required to achieve the strategic goals for the whole transport sector.

The process of NTS development and its implementation concerns the MOT in two areas, i) an enhanced dialogue with all related transport sector agencies needs to be facilitated in view of their alignment to the NTS goals and the formulation of NTS policies and programmes, and ii) the management and administrative tools of the MOT need to be strengthened and new techniques need to be adopted to strengthen public administration of Saudi Arabia's transport sector.

2.2 Immediate Objectives

NTS Development and Implementation

- To evaluate operational activities and plans of concerned transport agencies related to the vision and goals of NTS, preparing a comparative analysis across the national transport sector in order to identify commonalities, overlaps, and gaps of activities, as well as opportunities for policy alignments with regard to NTS, and assist the NTS committees to disseminate and promote the vision and goals of NTS.
- To formulate policy options for discussion and adoption, and to develop specific programmes, processes, and action plans required to achieve the strategic goals for the whole transport sector.

Strengthening Public Administration

- To develop new concepts and applications for the MOT transport database and management information system including the further development of an integrated GIS platform for MOT with geographical interfaces

3 SCOPE OF WORK

The NTS embraces the whole transport sector of Saudi Arabia and is guided by an overall vision and six important strategic goals. The NTS has been mandated through a Royal Decree in 2002, directing the MOT to develop and implement the NTS in cooperation with all relevant government agencies of the Kingdom. In turn this mandate is demanding an active role from the MOT in providing programme leadership and to facilitate the work of the established NTS Committees in order to achieve expected progress of this government programme.

A first step of this programme has been completed by reviewing the present situation and establishing the strategic framework developments of the transport sector in Saudi Arabia. As a NTS project component the MOT has conceived a project which shall

facilitate the dialogue among the transport sector agencies, for which necessary preparations for recruitment of technical assistance have been processes during 2005 and 2006.

Further important steps in of implementation are as follows:

- To identify, evaluate and discuss major issues that support the achievement of the strategic goals;
- To formulate policy options for discussion and adoption
- To develop and adopt specific programmes, processes, and action plans required to achieve the strategic goals for the whole transport sector
- To implement identified NTS policies and programmes
- To strengthen the managerial and administrative capacities of MOT through further developing the transport database and geographical information systems.

The project work is being carried out in a coordinated manner by Ministry officials, UN experts, as well as with the support of international and local subcontractors for special areas of technical assistance.

Role of the Ministry of Transport

Implementing NTS and improving its administrative capacities are key development areas of MOT; in this context it appropriates necessary resources and staff to these development activities through special assignments, allocation of resources, and project management under the overall coordination and project management of the Deputy Minister for Roads.

Role of the UN Experts

UN Experts which are being assigned through the UN implementing agency UNDESA play a vital role in providing specialized expertise to the MOT in all matters of the project, assist the MOT in identifying and evaluating related issues, draft work programmes, terms of references, proposals for sector policies, and other papers as deemed necessary in working towards the overall project objectives. Assist in preparing and facilitating workshops and seminars, and cooperate with concerned departments and contracted consultants and assist the MOT in monitoring and coordination of such project activities. The team of UN Experts comprises specialized long term experts, supplemented by short term experts, which will be decided by the National Project Coordinator as and when required.

4 PROJECT OUTPUTS

Implementation NTS Phase II and III

- **Report on Phase II NTS Development “Issues and Challenges”**
During Phase II NTS implementation all related transport sector agencies will review their operational activities, responsibilities and medium term plans in the context of the NTS goals. Reports of this review will be submitted to the MOT for further NTS analysis. A compendium of these agency reports and an outline of major identified issues regarding transport sector policy alignments based on a comparative analysis of all sector agencies shall form the Report on Phase II NTS Development.
- **Report on Phase III NTS Development “NTS Policies and Programmes”**
Building on achievements of Phase II policies and programmes for NTS shall be evaluated and formulated. A draft report tentatively entitled “National Transportation Strategy – Policies and Programmes 2005 – 2025” shall be considered and adopted by the NTS Technical Committee
- **NTS workshops / seminars/ dissemination of information**
The project activities of Phase II and III require to disseminate information on the NTS and to increase the dialogue on NTS among operational levels of all transport sector agencies. In this regard a number of workshops, seminars, as well preparation of information sources and material (leaflets, website) is envisaged.
- **NTS task force support, analysis, research, papers**
NTS taskforce assistance includes all kind of support to the work of MOT and NTS committees while preparing and implementing NTS, and includes analysis, research, drafting and review of papers, etc., as deemed necessary.

Improvement of MOT Transport Database

- **Applications for the TGDB**
The newly established Transport Geo Database (TGDB) offers a broad platform for a wide range of applications for the MOT to strengthen planning, developing, maintaining, and administration of transport infrastructure. These applications are to be identified and work packages are to be prepared and implemented.
- **Training / capacity building for using TGDB**
Applications of the new TGDB will gradually penetrate the day to day work of the MOT, whereby users need to adopt new information techniques and procedures which require training and capacity building measures.
- **Enhanced data quality**
Data quality of the TGDB is vital for the quality of outputs while using the new data base, therefore continuous efforts are necessary to ensure high quality data base maintenance and quality management and control while expanding the various levels of the TGDB.

Part III: Management Arrangements

The project will be nationally executed by the Ministry of Transport (MOT), Government of the Kingdom of Saudi Arabia. The MOT assumes the ultimate responsibility of the Government for the overall management of the project activities, reporting, accounting, monitoring, and evaluation of the project and audit of the use of Government cost sharing contribution to the project. The Ministry of Transport designates the United Nations Department of Economic and Social Affairs (UNDESA) as the UN implementing agency. UNDESA will provide services and carry out activities regarding project inputs as specified in the Letter of Agreement (*see Annex 1*) signed between MOT and UNDESA. The implementing agency is accountable to the MOT for the quality, timeliness and effectiveness of the services it provides and the activities it carries out, as well as for the use of funds provided to it. The project implementation will be fully managed by the National Project Coordinator (NPC) and will be subject to the UNDP Procedures for National Execution (*see Annex 3*). All coordination arrangements will take place under the sanction of the MOT.

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 MOT to facilitate the work responsibilities which includes the following:

- **Support to reporting:** The UNDP country office will assist the MOT in fulfilling the reporting requirements;
- **Facilitation of project activities:** The UNDP country office will assist the project staff in all matters regarding their residency in Saudi Arabia and their travel needs in a timely and effective manner, further UNDP will ensure and facilitate the communication on project matters between UNDESA and MOT;
- **Direct payments:** UNDP may be requested by MOT to make direct payments to other parties for goods and services provided to the project. In this case MOT shall forward to UNDP country office a standard form “Request for Payment”, duly completed and signed (*see Annex 4*). Documentation of payments by UNDP country office shall be made available to MOT.

The Government of the Kingdom of Saudi Arabia has expressed its desire to strengthen and sustain the national capacities for planning, development and efficient operations of the transport sector. The success of the project in terms of sustained impact will depend upon the capacity to associate increasing number of Saudi professionals with the international personnel of the project. Every international professional will have national counterparts in order to utilize and sustain expertise. This is in line with the national policy of Saudization.

Part IV: Monitoring, Reporting, Evaluation

The project will be subject to tripartite review (joint review by representatives of the Government, UNDP, and UNDESA) at least every 12 months, the first review meeting shall be held within the first 12 month of the start of the project implementation.

The NPC shall prepare annual progress reports (APR) which is being considered during the tripartite review meetings. A terminal APR is due at the end of the project and will be considered at the terminal tripartite review meeting. Meeting documents

shall be submitted to all participating parties of the tripartite review meetings sufficiently in advance to allow the parties to review those documents prior to the meeting.

The project shall be subject to an end of project evaluation. The organization, terms of reference and timing will be decided after consultation between the parties to the project document.

The MOT, as an Executing Agency, is responsible for the management of the project resources. To obtain reasonable assurance that the resources are being managed in accordance with the government financial regulations and UNDP project implementation, monitoring and reporting procedures, the project will undergo an annual audit exercise in accordance with UNDP procedures.

Part V: Legal Context

This project document shall be deemed to be translated in Arabic language and be legally the instrument referred to 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 Agreement represent the Government Co-operation Agency described in that Agreement.

Section II: Results and Resource Framework

Intended Outcome as stated in the Country Results Framework: Effective and Efficient Transport Sector			
Outcome indicator as stated in the Country Programme Results and Resources Framework: The role of public and private sector enhanced			
<i>Applicable MYFF Service Line:</i>			
Partnership Strategy: National execution by the Ministry of Transport (MOT), Government of the Kingdom of Saudi Arabia, and the United Nations Department of Economic and Social Affairs (UNDESA) as the designated UN implementing agency.			
Project Title and ID: ROAD AND TRANSPORT MANAGEMENT PROJECT, SAU/06/12/.....			
Outputs	Output Targets for (years)	Activities	Inputs
1. Implementation of the National Transportation Strategy (NTS)			
1.1 Phase II Report "Issues and Challenges"	2007	1.1.1 Coordination of TA for Phase II implementation 1.1.2 Review of draft reports	Assignment of project staff as required and requested by the National Project Coordinator (see Part II: Strategy)
1.2 Phase III Report "NTS Policies and Programmes"	2009	1.2.1 Coordination of TA for Phase III implementation 1.2.2 Review of draft reports	
1.3 Dissemination of Information	2007, 2008, 2009	1.3.1 Coordinate NTS workshops and seminars, represent MOT at workshops and Seminars	
1.4 NTS Task Force Support	2007, 2008, 2009, 2010, 2011	1.4.1 Assistance / input as required 1.4.2. Implementation assistance for NTS programmes and policies	
2. Strengthening of Public Administration			
2.1 Improvement of MOT Transport Database	2007, 2008, 2009, 2010, 2011	2.1.1 Assistance in introducing Applications for the TGDB 2.1.2 Capacity building activities 2.1.3 Activities in support of enhanced data quality	Assignment of project staff as required and requested by the National Project Coordinator (see Part II: Strategy)

Section III: Total Work Plan and Budget

A Work Plan is attached to this Project Document (*see Annex 2*). The work plan will be periodically reviewed and if necessary revised by the National Project Coordinator and shall be considered by the tripartite review meetings.

Budget details for scheduled inputs are summarized in attached budget details

Annexes:

1. Letter of Agreement
2. Work Plan
3. UNDP Procedures for National Execution
4. "Request for Direct Payment" Form
5. Job Descriptions