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UNIDO EVALUTATION GROUP

Independent evaluation of the Integrated Programme in the Kingdom of Saudi Arabia

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INDUSTRIAL DEVELOPMENT ORGANIZATION

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Acronyms and abbreviations

CSCCI	Council of Saudi Chambers of Commerce & Industry
CTA	Chief Technical Advisor
GCC	Gulf Cooperation Council
GDP	Gross Domestic Production
GOTEVOT	General Organization for Technical Education & Vocational Training
IPO	Initial Public Offerings
KACST	King Abduaziz City of Science & Technology
KSA	Kingdom of Saudi Arabia
MOCI	Ministry of Commerce & Industry
MOEP	Ministry of Economy & Planning
NICDP	National Industrial Clusters Development Program
NIPO	National Industrial Program Office
NIS	National Industrial Strategy
NPC	National Program Coordinator
OPEC	Organization of Petroleum Exporting Countries
PPP	Purchasing Power Parity
PTL	IP Team Leader
SABIC	Saudi Arabia Basic Industries Corporation
SAGIA	Saudi Arabia General Investment Authority
SAMA	Saudi Arabian Monetary Agency
SASO	Saudi Arabian Standards Organization
SEC	Supreme Economic Council
SIDF	Saudi Industrial Development Fund
SMEs	Small- and Medium-sized Enterprises
SOIETZ	Saudi Organization
WTO	World Trade Organization

Glossary of terms

Term	*Definition*
Baseline	The situation, prior to an intervention, against which progress can be assessed.
Effect	Intended or unintended change due directly or indirectly to an intervention.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically inputs (through activities) are converted into outputs.
Impact	Positive and negative, intended and non-intended, directly and indirectly, long term effects produced by a development intervention.
Indicator	Quantitative or qualitative factors that provide a means to measure the changes caused by an intervention.
Intervention	An external action to assist a national effort to achieve specific development goals.
Lessons learned	Generalizations based on evaluation experiences that abstract from specific to broader circumstances.
Logframe (logical framework approach)	Management tool used to guide the planning, implementation and evaluation of an intervention. System based on MBO (management by objectives) also called RBM (results based management) principles.
Outcomes	The achieved or likely effects of an intervention's outputs.
Outputs	The products in terms of physical and human capacities that result from an intervention.
Relevance	The extent to which the objectives of an intervention are consistent with the requirements of the end-users, government and donor's policies.
Risks	Factors, normally outside the scope of an intervention, which may affect the achievement of an intervention's objectives.
Sustainability	The continuation of benefits from an intervention, after the development assistance has been completed
Target groups	The specific individuals or organizations for whose benefit an intervention is undertaken.

Executive summary

The independent evaluation of the IP Saudi Arabia has been carried out as a standard program cycle management exercise in keeping with the UNIDO evaluation policy. Initially scheduled for September 2007, the mission was postponed to February 2008 responding to a request from the government of the Kingdom of Saudi Arabia (KSA).

The acting team leader of the IP provided the evaluation mission with a complete set of background material and a comprehensive self-evaluation report. Questions arising from the analysis of these documents were clarified through a series of interviews with UNIDO staff members at UNIDO HQ.

The Deputy Minister of the Ministry for Commerce and Industry (MOCI) and his staff granted their full support to the evaluation mission. The Minister welcomed the evaluation as an opportunity for learning and continuous improvement with a view to future cooperation between UNIDO and KSA.

The evaluation mission had meetings with 22 members of the national administration and the government and with 4 representatives of the private sector. Most of these persons fully appreciated the UNIDO services delivered under the IP.

The document “Industry 2020” is perceived as the main output of the IP. This document has made a significant political impact and it is widely appreciated for its analytical rigour. On the basis of “Industry 2020” the government services carried out several rounds of stakeholder consultations. The outcome of this consultation process is a National Industrial Strategy (NIS) document. At the moment of the evaluation the NIS has been on the agenda of the Council of Ministers for final approval. The government has taken full ownership of the entire process. Eventually, the NIS is expected to leverage several billions of USD in public and private investment.

The IP has also contributed to capacity building of government services, although less than initially planned. The Industrial Policy Unit of MOCI has been created as planned but its staffing situation is not yet stable. The statistics and information system of MOCI is not yet fully operational and some of the trainings initially foreseen in these areas did not take place.

Critical views were expressed with regard to timeliness and communication. The majority of persons met by the evaluators were of the opinion that a more continuous presence of UNIDO in the country would have been beneficial. The personal intervention of the UNIDO DG in 2006 was highly welcomed by the Minister and all parties. This intervention and the subsequent formation of a task force entrusted with the preparation of the “Industry 2020” document marked a decisive turning point of the IP.

After the DG visit budgetary and human resources were shifted from capacity building to finalizing the "Industry 2020" document. As a consequence of this decision, significant financial resources were still available at the beginning of 2007. Upon government request, UNIDO used these resources to contract a team of Arabic-speaking consultants to assist with the consultation process and the formulation of the NIS document.

At the moment of the evaluation the administrative and management mechanisms to be applied for the implementation of the NIS were still under discussion. The private sector would like to take a larger share of responsibility. The government has launched an exploratory call for tenders among leading international consultancy firms.

The following lessons arise from this IP:

When implementing projects UNIDO is able to demonstrate ad-hoc responsiveness to changing customer requirements, e.g. by mobilizing a multi-disciplinary taskforce of in-house experts. At the design stage, however, UNIDO tends to apply a supply driven approach. This may lead to overlooking essential customer requirements and cause frictions during implementation.

UNIDO should reinforce the rule (laid down in the UNIDO TC guidelines) stipulating that a logframe is compulsory for all programme documents. The logframe is a useful tool for demonstrating the logical coherence of a programme across its components and prerequisite for robust consensus with partners.

Programmes or projects supporting policy making processes should clearly distinguish between the UNIDO input into this policy making process (which is the output of the project) and the outcome of the policy making process (which comes under the responsibility of the government). Furthermore, the lesson could be drawn that a programme or project supporting a policy making process should reach out beyond delivery of the output and accompany the process from output to outcome, although during this part of the process UNIDO should gradually shift from its role as a driver of the process to an on-demand advisor.

UNIDO should revisit its "iron" rule that IP team leadership must always come from the Field Operations Division. While this rule is perfectly sound for countries with a UNIDO field office, this is not necessarily the case for countries such as KSA without a UNIDO office. In these cases other options for team leadership should be considered. Strong team leadership is indeed key. The way to get there should be handled with flexibility.

In countries like KSA governments make extensive use of services from a wide range of international consultancy companies and UNIDO is de-facto competing with such companies. As a consequence, government expectations with regard to operational flexibility and responsiveness to client needs are particularly high. Government demonstrates strong ownership and expects to be in the driver seat, in particular for policy projects of strategic importance.

However, It is in the interest of UNIDO not to blur the differences between a UN Organization and an international consultancy firm. UNIDO should sharpen its specific comparative advantage as a neutral partner of governments in the area of policy advice and capacity building. To fully grasp its comparative advantage in middle-income countries UNIDO should be prepared to play the role of an efficient and dependable policy advisor who provides flexible on-demand services of high quality in an ad-hoc and, at times, self-effacing manner.

Setting up a permanent presence in the country would help UNIDO to bring its competitive advantages to the forefront. However, the Deputy Minister made it very clear that he is not interested in some kind of a “liaison office”. He expects UNIDO experts to be highly qualified specialists who are well acquainted with country conditions and prepared to deliver practical and hands-on assistance.

Recommendations

Recommendations related to finalizing the program

The accumulated interest of the funds transferred under the Trust Fund Agreement (approximately 150.000 USD) should be used for strengthening the capacity of the statistical and IT services of MOCI. Such strengthening would be needed in order to ensure management information support for the implementation of the NIS. In a recent request, MOCI has asked UNIDO whether the Organization would be in a position to provide an integrated international expert for this purpose. Ideally, the expert should be fully acquainted with both industrial statistics and IT systems. What is needed is not a study with recommendations but hands-on assistance on a number of urgent tasks. However, to ensure the effectiveness and sustainability of the contributions from the international expert the ongoing reorganization of the related MOCI services should be consolidated. It is recommended to UNIDO that detailed terms of references for this expert should be developed and agreed upon and that the government should be fully involved in selecting the expert.

Recommendations related to implementing the NIS

In expectation of the final government decision on the NIS, UNIDO should approach the government and engage in a dialogue on the areas where UNIDO could best contribute to strengthening the government capacity for the future implementation of the NIS. Possible options for specialised services could be in UNIDO areas of expertise such as trade capacity building, export consortia or innovation as well as in technical programme management and performance monitoring (observatory). It is recommended that UNIDO should approach the government officially on this subject and submit a proposal with possible options.

Recommendations to UNIDO with a view to further developing its cooperation with the Government of KSA

UNIDO should look into all possible options to enhance its permanent presence in KSA and in the Gulf region. Such an enhanced presence appears to be a precondition to further developing the cooperation between KSA and UNIDO. Setting up a permanent presence in the country would help UNIDO to bring its comparative advantages to the forefront and it would help the country to benefit more directly from UNIDO assets. The government seems to be less interested in representational and liaison functions but would expect a possible country office to provide highly qualified experts who are well acquainted with country conditions and prepared to deliver practical and hands-on assistance. It is recommended that UNIDO should intensify its dialogue with the government on this subject.

UNIDO lessons learned

Diligent responsiveness to customer requirements

Under the IP Saudi Arabia UNIDO demonstrated diligent responsiveness to changing customer requirements. Efficient steering and feed-back mechanisms were put in place. Dedicated management by the acting IP team leader, determined leadership from the UNIDO top management and the capacity of setting up a task force of highly qualified UNIDO experts within weeks were the main factors behind this success. However, responsiveness to customer requirements could have been better in the early stage of the programme. When the IP document was revised in 2001 the government request that "*focus should be given to elaborating the Industrial Strategy*" was not properly implemented. The urgency of the policy strategy document was not fully recognized and the initial IP design was maintained with its emphasis on capacity building and piloting standard UNIDO services.

Lessons: UNIDO is able to demonstrate ad-hoc responsiveness to changing customer requirements by mobilizing a multi-disciplinary taskforce of in-house experts. At the design stage, however, UNIDO tends to apply a supply driven approach. This may lead to overlooking essential customer requirements and cause frictions during implementation.

Importance of logframe

The IP document shows a number of weaknesses, the most important of which has been the absence of a logical framework. As a result of this weakness the logical links and sequence between component 3 dealing with the "organization of support services" and the two other components dealing with policy support remained unclear. Eventually, upon request of the government, this component has not been implemented.

Lesson: UNIDO should reinforce its rule (laid down in the UNIDO TC guidelines) stipulating that a logframe is compulsory for all programme documents. The logframe is a useful tool for demonstrating the logical coherence of a programme across its components and strengthening consensus with partners.

Supporting policy making processes

The focus of the IP Saudi Arabia has been on supporting policy-making processes. The programme produced a highly relevant policy document ("Industry 2020") that has become the basis for the government to engage into stakeholder consultation processes and policy dialogue, which eventually led to the official NIS of Saudi Arabia. However, the initial programme planning did not make a clear distinction between the policy document (project output) and the government strategy (outcome) and hence did not encompass the

process leading from the former to the latter. Moreover, the time and resources necessary for producing the policy document were heavily underestimated.

Lesson: Programmes or projects supporting policy making processes should clearly distinguish between the UNIDO input into this policy making process (which is the output of the project) and the outcome of the policy making process (which comes under the responsibility of the government). Furthermore, the lesson could be drawn that a programme or project supporting a policy making process should reach out beyond delivery of the output and accompany the process from output to outcome, although during this part of the process UNIDO should gradually shift from its role as a driver of the process to an on-demand advisor.

IP team leadership

Formally, the team leader of the IP Saudi Arabia changed several times but, practically, the main PAD holder of the IP acted as a de-facto team leader on a continuous basis. He also prepared the self-evaluation report and provided the evaluation team with most of the necessary information. Although formally clear the responsibility was unclear in practice leading to delayed preparation of the self-evaluation report and certain gaps in this report.

Lesson: UNIDO should revisit its “iron” rule that IP team leadership must always come from the Field Operations Division. While this rule is perfectly sound for countries with a UNIDO field office, this is not necessarily the case for countries such as KSA without a UNIDO office. In these cases other options for team leadership should be considered. Strong team leadership is indeed key. The way to get there should be handled with flexibility.

UNIDO comparative advantage in middle-income countries

Governments of middle-income countries like KSA make extensive use of services from a wide range of international consultancy companies. They demonstrate ownership for such services and want to be in the driver seat, in particular for policy projects of strategic importance. In countries like KSA UNIDO is perceived, to a certain extent, as an alternative to (or a competitor of) international consultancies, although the Organization itself does not define its role as such. On the other hand, there is still room for UNIDO to explain the misunderstanding that the Organization is not focusing on LDC countries alone.

Lesson: It is in the interest of UNIDO not to blur the differences between a UN Organization and an international consultancy firm. UNIDO should sharpen its specific comparative advantage as a neutral partner of governments in the area of policy advice and capacity building. To fully grasp its comparative advantage in middle-income countries UNIDO should be prepared to play the role of an efficient and dependable policy advisor who provides flexible on-demand services of high quality in an ad-hoc and, at times, self-effacing manner.

I

Introduction

General

The "Integrated Program" (IP) in Saudi Arabia was launched in June 2004, with the signature of a Trust Fund Agreement between the Government of the Kingdom of Saudi Arabia (KSA) and UNIDO. The implementation of the IP started after reception of the first two instalments from KSA, i.e. in February 2005. The IP ended in December 2007, after two extensions by one year.

In line with the standard procedure of UNIDO an end-of-program evaluation took place from January 30 to February 10 2008 in Vienna and Riyadh. The independent evaluation was carried out by Mr. Peter Loewe, Senior Evaluation Officer of the Evaluation Group (Bureau for Organizational Strategy and Learning) of UNIDO and by Mr. Anton Kruft, independent consultant. None of them had been involved in the preparation or execution of the IP.

Ample information on the IP was available and timely provided by the Program Team Leader (PTL), including comprehensive background documentation and also the UNIDO self-evaluation report per December 2007.

Methodology

The methodology applied to carry out this independent evaluation consisted of the following modalities:

- *Desk research*: Two sources were extensively studied in detail, i.e.:
    - All IP documentation, in particular documentation describing the way in which the program came into existence, the planning and progress of the program (program outputs and progress reports) and the UNIDO self-evaluation report;
    - Documentation from the internet, related to public and private institutions in Saudi Arabia which, in one way or another, were involved in the IP; in addition reports (country assessments) from various multilateral organizations, such as the World Bank, UNDP, WTO, EU, etc.

- *Telephone interviews* with three of consultants based in the US and Egypt who had been active in program execution, in particular as regards their involvement in the ultimate formulation phase of the National Industrial Strategy (NIS) during the year 2007.

- *Face-to-face interviews* were carried out at two locations (see annex C for institutions and persons met during the evaluation):

- At UNIDO HQ in Vienna (January 30 and 31, 2008), discussions with UNIDO staff (11) and consultants (4) who were contracted for program execution;
- In Riyadh (February 2 to 10) with the Deputy Minister of the Ministry of Commerce & Industry (MOCI), the management and staff of the National Industrial Program Office (NIPO) and various public and private institutions based on an agenda agreed between the evaluators and the NIPO management.

- *Debriefing* to the Deputy Minister of MOCI on the results of the mission on February 10, 2008 in the presence of the NIPO management.

- *Feed back* on the preliminary results of this Independent Evaluation from UNIDO and MOCI staff, based on the first draft of the Evaluation Report.

Initially, the evaluation was planned to take place in October 2007. However, upon request from the KSA government, the exercise was postponed to early February 2008 in order not to interfere with the ongoing political decision making process concerning the National Industrial Strategy (NIS).

During the initial briefing session with the evaluators the Deputy Minister made it clear that an evaluation of the NIS as such would be premature. At the moment of the evaluation the ultimate Government approval of the NIS was still pending, thus no results could be expected yet. However, through the implementation of the IP UNIDO has made important contributions to preparing the NIS in terms of analytical support and strengthening national capacities. Both sides agreed that the evaluation was timely in terms of drawing lessons from the implementation of the IP between 2005 and 2007, how useful the IP was for the preparation of the NIS and whether the delivery of services met the expectations of the KSA Government. During the debriefing session the Deputy Minister reiterated his appreciation of UNIDO's thorough approach to evaluation and learning.

Acknowledgements
The evaluators express their sincere gratitude to H.E. the Deputy Minister of MOCI for his very valuable comments and support. The Deputy Minister has dedicated particular attention to the execution of the IP and to the evaluation. The opportunity to meet with him personally at a briefing and a debriefing session has been instrumental for the evaluators to gain insight into the implementation dynamics of the IP and its important role for the government.

The evaluators wish to thank the General Manager of the National Industrial Program Office (NIPO) and UNIDO NPC for the frank and intense discussions and, last but not least, for the very efficient arrangements and support without which this evaluation would not have been possible.

The evaluators express their recognition to all those informants, inside and outside UNIDO, who spent time with us to share their views and to explain the background and the evolution of the IP. In particular we would like to thank the acting team leader Mr. Yuri Akhvlediani who did his utmost to provide us with all necessary information and who explained to us the history and dynamics of the IP in all necessary detail.

II

Country context and program design

2.1 Economic situation and challenges

Current economic situation

Over the last years the economy of the Kingdom of Saudi Arabia (KSA) experienced rapid growth but remained largely dependent on the production and export of oil. KSA produces more oil and natural gas liquids than any other country in the world. Presently, this sector accounts for roughly 75% of budget revenues, 45% of GDP and 90% of export earnings. While the demand and the price for oil are at historic highs, KSA faces the challenge of diversifying its economy, to improve its competitiveness in the globalized world and to create jobs for Saudi citizens.

Industrial development is considered essential for diversification, sustained growth and job creation. Manufacturing contributed in 2004 8.8% of GDP and provided employment to approximately 8% of the workforce. Most manufacturing jobs (approximately 340,000 in the industrial sector) are tied in some manner to the minerals sector. Refining petroleum continues to be the most important activity. In 2005 Saudi Aramco increased production of refined products by 3%. Cement production rose by 2%. Additionally, the manufacturing of fertilizer and steel contribute significantly to the country's economy. Ship repair, commercial airline repair, and construction also provide the country with much-needed industrial jobs. At present, the country has an approximate number of nearly 4,000 factories and new centres of industrial concentration develop in Jubail, Yanby and Dammam with large industrial estates and knowledge-based industrial enterprises.

As mentioned above, nearly 90% of Saudi ***exports*** are related to oil. Petrochemicals, plastics, construction materials (cement especially), and agricultural products make up for the remainder. Export earnings totalled an estimated US$208 billion in 2006. Increasing demands for consumer goods in Saudi Arabia have driven up overall ***imports***, a trend that is expected to continue for the foreseeable future. The total value of imported goods in 2006 is expected to increase to an estimated total of US$64 billion. The largest categories of imported goods are machinery and vehicles, which account for about 50 percent of all imports, as well as appliances, electrical equipment, sound and television apparatus, aircraft, and cars. In 2006 Saudi Arabia produced a significant ***trade surplus*** of approximately US$ 140 billion up from US$ 124 billion in 2005, mostly the result of a banner year for oil production and prices. However, Saudi Arabia's significant trade surplus in goods is offset by deficits in the exchange of services and investment. Nevertheless, Saudi Arabia has enjoyed a

positive ***balance of payments*** over the past few years. For 2006 SAMA recorded a record US$ 104 billion current account balance. This has paved the way to a stable ***banking industry*** in the country, composed of 13 Saudi-owned banks and 8 branches of foreign banks. The Saudi ***stock market*** is the largest in the Arab world, with a total market capitalization of nearly US$650 billion at the end of fiscal year 2005, a 111% increase from one year prior.

The deficit on services is to the greater part related to the high number of ***foreign labor***, in spite of the fact that the local male unemployment figure hovers around 13%. Saudi Arabia's population as of July 2007 is estimated to be 27,6 million including 5,6 million non-nationals. The country faces the challenge of shifting away from dependence on expatriate labor, and creating an environment for viable, value-adding and sustainable employment opportunities for new entrants in the labor market, especially youth and women. At present, the economy still remains to quite some extent dependent on the skills and expertise provided by the 5.6 million foreign nationals residing in the country.

Obviously, education is key to getting more Saudi nationals on the job and creating more jobs so as to cope with the fast growing population. Today, Saudi Arabia's nationwide public ***educational system*** comprises twenty universities, more than 24,000 schools, and a large number of colleges and other educational and training institutions. The system provides students with free education, books and health services and is open to every Saudi. Over 25% of the annual State budget is allocated to education including vocational training.

As regards its ***foreign economic relations***, KSA maintains memberships in most of the region's economic organizations, including the Cooperation Council for the Arab States of the Gulf (CCG), Islamic Development Bank (IDB), Organization of Arab Petroleum Exporting Countries (OPEC), etc. Saudi Arabia became the 149th member of the World Trade Organization (WTO) in December 2005, evidence that it is making strides toward market modernization.

The country's challenges

Since the 1970s, the KSA government has used five-year development plans to make its economy less vulnerable to volatile oil prices. Currently in its Eighth Five-Year Plan (2005–2009), the government aims at achieving modest but consistent GDP growth, increasing the role of the private sector in the economy, and creating significant numbers of new jobs for Saudi citizens. The most significant challenges related to industrial development are:

- ***Diversification of Economic Base:*** Recognizing the importance of reducing dependence on depletable oil resources, diversification of the economic base is a principal objective of economic and social development ever since the start of development planning. Emphasis has, therefore, been placed on enhancing the non-oil sectors of the national economy, i.e. in industrial value added, technology-based, production levels.

- ***Development and Productive Employment of Human Resources:*** The demand for labor outstrips national supply in many professions, necessitating recruitment of

foreign labor. Moreover, in recent years, there has also been a certain mismatch between outputs of the education and training system and the skills and specializations required by the economy, leading to structural unemployment. "Saudization", of up to 30% in the industrial sector, remains one of the main development challenges.

- ***Balanced Regional Development:*** Due care has been exercised in providing infrastructure and public services to all regions, achieving very high coverage rates. There are, however, disparities in economic activity that have encouraged internal migration from rural to urban areas. Restoring regional balance is, therefore, one of the major challenges to sustainable development, calling for stimulation of economic industrial activity in the least developed regions.

- ***Competitiveness of National Economy:*** Within a relatively short period, KSA has succeeded in acquiring a distinguished economic status, which primarily rests upon abundance of both energy and financial resources. Acquisition of new competitive advantages leading to increasing and diversifying industrial exports targeted at 35% of total exports and to enhancing integration into the global economy, constitutes, therefore, one of the major challenges to development.

In summary, the full realization of the country's huge economic potential hinges upon addressing certain structural limitations and challenges, strengthening competitiveness, creating a more favourable environment for small and medium enterprise (SME) development, reforming labor market policies and mechanisms, strengthening the educational system and making it more responsive to the skills required for existing and emerging labor markets as well as further optimizing the efficiency of the public sector and its participation in industrial development. Considerable shifts in the current incentives system will be necessary to overcome many of these distortions and attract investment towards the manufacturing sector. The Ministry of Commerce and Industry (MOCI) will be the key player in meeting these challenges.

2.2 Government initiatives and institutions

The Government has embarked on an ambitious economic reform program to encourage greater participation by the private sector in economic activity. Steps have been taken to implement economic and institutional reforms. The MOEP is currently preparing the 9th Development Plan (2010 – 2015). An even more open and competitive economy will be the vision driving this plan.

As has been elaborated above (2.1), Saudi Arabia has made successful strides over the past few decades to modernize its economy and to bring greater prosperity to its fast growing population. The Government made use of the country's comparative advantages, such as revenues from oil and gas, high quality infrastructure, cheap energy, strong oil-related industries (petrochemicals, plastics, chemical products, fertilisers, etc.), geographical position, high income society (purchasing power), largest stock market of the Middle East, internationally connected (CCG, OPEC, World Bank, UN-organizations, WTO, etc.).

Most importantly the Government of Saudi Arabia has launched a number of initiatives and created an appropriate institutional framework which will be strong assets and supporting "aids" in the realization of the national industrial strategy. The most important of these are:

Supreme Economic Council (SEC)
The SEC has been driving economic reforms and boosting the Kingdom's privatization efforts. It plays a role in the formulation of economic policy and coordinates policies between government departments and agencies. The SEC evaluates economic, industrial, agricultural and labor policies to assess their effectiveness and impact on the national economy, diversification of the country's economic base and the growth of its competitive economic strength.

Saudi Arabian General Investment Authority (SAGIA)
Created in 2000, its mission is to achieve rapid economic growth in the Saudi Arabian economy by creating a pro-business environment, providing comprehensive services to investors and fostering investment opportunities in key sectors in the economy, including energy, transportation, ICT, and knowledge-based industries Their main activities include:

- The so-called "10 X 10" program aiming at positioning KSA, within 10 years, among the world's top-10 competitive investment destinations.
- The recent launching of four greenfield, privately developed "Economic Cities" aiming at regional development, economic diversification, job creation and enhancing competitiveness.
- Connected with the development of Economic Cities, SAGIA will be at the forefront of establishing clusters as a means to job creation and economic growth of these Cities. These are related to the aluminium-, steel-, fertilizer- and petrochemical industrial sectors.

In order to meet foreign investors requirements SAGIA is very much focusing on a further improvements of the regulatory framework. Directly accountable to the SEC, SAGIA is well placed to carry out its advocacy role effectively.

The King Abdulaziz City for Science & Technology (KACST)
KACST is an independent scientific organization of the KSA Government. Since its inception in 1977, KACST has been promoting science and technology in the Kingdom in cooperation with universities, agencies and institutions concerned with research and technology, and encouraging Saudi experts to undertake research that will help promote the development and evolution of the society. Through cooperation agreements with science and technology organizations from other countries, KACST encourages closer international ties. Only recently KACST has started a pilot program on establishing knowledge-based inter-sectoral incubator centres throughout the country.

The Saudi Arabian Standards Organization (SASO)
SASO develops national, world trade and security standards and provides both hands-on services and training for businesses related to ISO (9000 and 14000), conformity assessment and corporate social responsibility. A Board of Directors outlines the general policy of SASO, headed by the Minister of MOCI and comprising representatives of the concerned Ministries, as well as private sector representatives.

The Saudi Organization for Industrial Estates and Technology Zones (SOIETZ)
SOIETZ's mission is to undertake, as an independent public agency, the regulation and promotion of Industrial Estates and Technology Zones in KSA on public and private industrial lands. One if its recent achievements is the creation of the first car

manufacturing plant in the technical zone of the city of Damnam. The plant is expected to reach a capacity of 300.000 cars.

The Council of Saudi Chambers of Commercial and Industry (CSCCI)
There are 20 Chambers of Commerce & Industry in the KSA, which belong to the network of CSCCI. The MOCI supervises both the Council and Chambers and manages the elections of the Board of Directors. The Chambers are staffed by leading members of the private sector and provide services related to private sector advocacy, business information, organization of conferences; arbitration and settling disputes. Only recently, MOCI started the establishment of an Export Promotion Organization.

Saudi Industrial Development Fund (SIDF)
SIDF has assumed, since its inception, a leading role in assisting the private sector in the process of industrial conversion. Soft loans provided by SIDF offer major incentives for industrial development. Besides loans, SIDF provides borrowers with a variety of technical, administrative, financial and marketing consultation services.

National Industrial Clusters Development Program (NICDP) of Ministry of Petroleum
The Clusters Program of the Ministry of Petroleum aims to grow and diversify the Saudi Arabian economy by developing industrial clusters that leverage the Kingdom's resources. The clusters concern five sectors in areas where the Saudi fundamentals of abundant, competitive energy and raw materials can be leveraged and where it is assumed that KSA has the potential to become globally competitive: automotive, construction, metal processing, plastic packaging and consumer appliances.

General Organization for Technical Education & Vocational Training (GOTEVOT)
GOTEVOT plays a crucial role in the development of the Kingdom's national workforce. It is in charge of the Technical and Vocational Education and Training (TVET) system, which is part of the general education system in KSA. The TVET system includes; i) technical colleges, ii) secondary institutes and iii) vocational training centres located all over the Kingdom, together with private institutes accredited by GOTEVOT. At present about 100,000 students graduate annually of which 70% to 80% enter into the workforce. The target for 2027 is 400,000 graduates. Curricula are developed in close consultation with private sector companies (e.g. SABIC, a huge Saudi multinational), as well as with the various cluster initiatives from SAGIA, NICDP and MOCI.

In conclusion, all these government initiatives and institutions form an institutional framework which the ***Ministry of Commerce and Industry (MOCI)*** has been integrating into the development of its National Industrial Strategy (NIS), which has been the main objective of the UNIDO Integrated Program, which ran from 2005 till 2007. During that period this ministry was reorganized from the Ministry of Industry and Electricity to that of Commerce and Industry and also a new Deputy Minister in charge of Industrial Affairs in the ministry was appointed in the second half of 2005. That was the time when concentrated efforts were made to get an industrial strategy document worked out, after which MOCI has -during the year 2007- made great strides in awareness building and discussing the document with representatives of the private sector and other public institutions and after adaptations could, with positive results, submit a National Industrial Strategy (NIS) to the Supreme Economic Council. It is presently awaiting a Cabinet of Ministers' approval for final implementation.

Anticipating the approval of the NIS, big challenges lay ahead of MOCI in implementing all policy instruments which have been identified as activities to be undertaken to realize the strategic targets to be achieved by 2020. It is understood that the implementation of the policy instruments/activities, which has provisionally been calculated at more than

US$ 10 billion, will be outsourced through tenders. The department of Industrial Affairs of MOCI is relatively small and specific organizational measures, to deal effectively with the tender procedure, the constant coordination among public and private institutions, the monitoring of progress and quality performance of the outsourced activities, project management of the execution and the like, are under scrutiny.

2.3 Initial program design

Program history

As a follow up of an official visit of the Director General of UNIDO in November 1998, a UNIDO programming mission visited Saudi Arabia in February 1999. The objective was to formulate with the Ministry of Industry and Electricity a technical cooperation program to improve the contribution of the private sector to industrial competitiveness and diversification under the new conditions of globalization and liberalization. This resulted in the delivery of a program document in November 1999 of an "Integrated program to enhance industrial competitiveness and diversification", which was supposed to be carried out over two years with a budget of US$ 1,933,500. The IP consisted of three components:

1. **Strengthening the capabilities of industrial governance**, which would include: establishing an industrial governance framework, setting up an Industrial Policy Unit, reorganizing the governance support network and strengthening industrial statistics;

2. **Formulation of industrial policies**, encompassing: making a diagnosis if the industrial system and sectoral competitiveness, developing an industrial development vision 2020, sectoral development strategies and action programs and an industrial policy framework;

3. **Organization of support services,** entailing action plans and support programs for: investment and technology promotion; business development services for SMEs; standardization, accreditation and conformity assessment; continuous improvement and quality management; human resources development and, finally, for a business information network.

After submission of the IP document and discussions in the KSA government the Minister met with the Director General of UNIDO in May 2001 and requested an update of the IP. Following this request, another UNIDO mission, headed by the Deputy to the Director-General, visited the country in August 2001. The Government indicated that the following major principles should be used as a guide for updating the 1999 Integrated Program document:

- The IP framework structure and budget should remain the same. However, focus should be given to elaborating the Industrial Strategy;

- The implementation period of the IP should be shortened from 24 months to 12 months;

- The outputs of the IP should be formulated to encourage financing by different donors, including the private sector;

- A detailed work plan should be prepared for the implementation of the IP indicating time frame of the delivery of outputs and components.

The adapted new IP Document did not differ as regards the technical contents of the IP and its structure of three components and sub-components. However, three significant changes were introduced:

- The initial two years implementation period of the IP was reduced to one year only abandoning the initial concept to start the program in a sequential manner "... *beginning with component 1 and continuing with component 2. The third component can and will be executed only after the foundations laid by the first two components have been successfully put in place."*[1]. Squeezing the implementation of the IP into one year, reflected the sense of urgency that the government had expressed during negotiation and the willingness of UNIDO to respond positively to that need. However, it was clear to all parties that cutting implementation time by 50% while maintaining all planned activities was not realistic. Not surprisingly, the work plan based on a one year implementation period was abandoned in June 2005 and the program was (in first instance) extended until December 2006.

- Specific reference in the adapted version of the IP was made as regards the focusing on an "Industrial Strategy". In the Executive Summary of the IP document (p.3) an extra sentence was included stipulating that …."*The core of the program includes an assistance to the Government to formulate a plan to improve the contribution of the private sector to industrial competitiveness and diversification*"…

- Finally, the chapter on "Country context" was revamped with new and updated economic data and the section on "Country policy" and a few other paragraphs were adapted based on then recently released information from the country's 7th Development Plan 2000.

Key design features from the 1999 version of the IP document were maintained:

- Following a *participatory approach* in implementing the IP;

- *Building capabilities* of the Government and private sector institutions to enhance industrial competitiveness and diversification;

- The implementation of all outputs will start with the preparation of a *technical background document,* which will be presented, discussed and finalized with the actors concerned.

Following the submission of the revised IP document to the Ministry of Industry and Electricity in October 2001, the Deputy Minister visited UNIDO in February 2002 with the objective to finalize the Trust Fund Agreement and the Work Program of the IP. In March 2003, the Minister of Industry and Electricity confirmed the final authorization to conclude the Trust Fund. This paved the way for further and final negotiations between the Minister and the Director General of UNIDO leading to further adjustments of the draft Trust Fund Agreement following scrutiny by the Legal Affairs Unit of UNIDO. Ultimately, the Trust Fund Agreement was signed on 28 June 2004.

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[1] IP document 1999, p. 14 under "Program Structure"

The IP document gives a detailed cost break down of the program as shown in table 1, indicating the budget in US dollars per component and sub-component and in table 2 showing the budgeted cost per UNIDO budget-line.

Table 1: Budgeted break down as per component and sub-component in dollars and percentages

Comp #	Description Component/Sub component	Amount in US$	%
1.0	**Industrial governance capacity**	**719,000**	**37.3**
1.1	Industrial Governance Framework	74,000	3.8
1.2	Industrial Policy Unit	359,000	18.6
1.3	Governance Support Network	145,000	7.5
1.4	Strengthening Industrial Statistics	141,000	7.3
2.0	**Industrial policy framework**	**528,000**	**27.4**
2.1	Diagnosis of Industrial System and Sectoral Competitiveness	203,000	10.5
2.2	Industrial Development Vision	57,000	3.0
2.3	Sectoral Development Strategies and Action Programs	160,000	8.3
2.4	Industrial Policy Framework	108,000	5.6
3.0	**Organization of support services**	**681,000**	**35.3**
3.1	Investment and Technology Promotion	148,000	7.7
3.2	Business Development Services	203,000	10.5
3.3	Standardization, Accreditation & Conf. Assessment	78,000	4.0
3.4	Continuous Improvement & Quality Management	81,000	4.2
3.5	Human Resources Development	96,000	5.0
3.6	Business Information Network	75,000	3.9
Total	**Integrated Program for KSA**	**1,928,000**	**100**

Table 2: Budgeted break-down per budget-line in work months, dollars and percentages

Budget line	Title	Total		
		W/M	US$	%
11-01	Long term expert, CTA	12	180,000	9.3
11-50	*Short term consultants*	*63*	*945,000*	*49.0*
	Component 1	13	195,000	10.1
	Component 2	20	300,000	15.6
	Component 3	30	450,000	23.3
13-00	Administrative support		24,000	1.2
15-00	Project travel		20,000	1.0
16-00	HQ staff travel		57,000	3.0
17-50	*National consultants*	*69*	*552,000*	*28.6*
	Component 1	20	160,000	8.3
	Component 2	27	216,000	11.2
	Component 3	22	176,000	9.1
19-99	**Sub-total project personnel**	**144**	**1,778,000**	**92.2**
32-00	Study tours		58,000	3.0
45-00	Equipment		60,000	3.1
51-00	Sundries		32,000	1.7
99-00	**Total without administration cost**	**144**	**1,928,000**	**100**

Following the signature of the Agreement, two instalments were transferred to UNIDO in October 2004 and January 2005 with a total amount of US$ 1,183,953.10, representing 61% of the total program cost. Two further instalments were to follow (see chapter 3.2).

The program started in February 2005 with a “high level retreat” in Riyadh gathering representatives of the government of KSA and of various public-, business- and academic

institutions. This retreat was moderated by the Deputy Minister of the then newly created Ministry of Commerce and Industry (MOCI) who was, however, appointed to the Saudi Consultative Council only a few months later. This change of Minister led to a vacancy, which was temporarily filled until a new Deputy Minister was appointed in October 2005.

At the same time (February 2005) UNIDO experts were given the green light to start the preparation of a diagnostic study of the economic- and business environment of KSA. This paper was to serve as a technical background document for all further discussions and activities. Finally, the implementation of the IP was on its way.

III
Program implementation and results

3.1 Program implementation mechanism

The implementation mechanism included the following main elements:

- In the absence of a country UNIDO office in KSA, the IP was managed from UNIDO HQ in close cooperation with the Ministry of Commerce & Industry (MOCI);

- A Steering Committee was established under the chairmanship of the Minister of Commerce and Industry as well as a Consultative Committee consisting of high-level Saudi experts in charge of three important issues of the IP, i.e.: diversification, competitiveness and cluster development; the Steering Committee met three times;

- A National Industrial Policy Office (NIPO) was set up at the MOCI to manage the delivery of program by local and international consultants, and to maintain working contacts with other ministries and institutions;

- UNIDO contracted a National Program Coordinator (NPC) appointed by the Government; the NPC headed the NIPO and acted as the local manager, as a liaison officer between UNIDO HQ and MOCI and as a Saudi official with direct access to the Deputy Minister of MOCI;

- The NIPO became fully operational in early 2006, when excellent office facilities and equipment were provided and additional staff came on board;

- In keeping with standard UNIDO practices, candidates for local and international consultancy posts were selected jointly by MOCI and UNIDO;

- From April to December 2005 UNIDO had appointed a resident Chief Technical Advisor (CTA); as from mid-2006 this function was for a few months carried out by another (Arabic speaking) expert, after which no other CTA was appointed;

- UNIDO appointed four different IP Team Leaders; however, in practice, one of them acted as the de-facto Team Leader over the entire period, providing continuity and leadership to the IP and maintaining constant linkages with the government;

- IP Progress Reports were prepared and distributed twice a year; including the pre-program period eight Progress Reports were produced;

- Frequent team meetings were held; apart from individual contacts with local and international consultants and presentations to MOCI on specific program outputs, the Program Team Leader organized four Team Coordination Meetings in Vienna, Riyadh and Cairo.

Major events and program milestones

The implementation of the IP was marked by several turning points:

- February 2005: Launching of the IP at a high-level retreat in Riyadh;
- April 2005: Deputy Minister for Industry leaves MOCI (several months of vacancy);
- End of 2005: Decision to extend IP duration from one to two years;
- March 2006: new Deputy Minister of MOCI visits UNIDO; decision to give top priority to delivery of the National Industrial Strategy (NIS) and to postpone cluster activities and component 3;
- August 2006: UNIDO Director General visits KSA;
- September 2006: UNIDO Director General forms an interdisciplinary team of senior UNIDO officials including his Principal Advisor and entrusts them with the preparation of the strategy document "Industry 2020";
- End of 2006: Deputy Minister endorses "Industry 2020" document; decision to extend project duration by another year until end of 2007;
- April 2007: Decision to allocate the remaining funds ($ 400.000) to continuing the contract of the National Project Coordinator and to contracting a team of international and national experts for organizing the stakeholder consultation process and the finalization of the NIS.

Below follows a detailed chronology of the major events and program milestones:

Table 3: Chronological summary of major events during the lead-time of the IP

Nr	Activity	Date
	2004	
1	Signing of Integrated Program Document	June
2	First instalment of Trust Fund Agreement ($ 192.800)	October
	2005	
1	Second instalment of Trust Fund Agreement ($ 991.200)	January
2	High level retreat in Riyadh with representatives from the government of KSA, public-, business- and academic institutions and UNIDO team, moderated by the Deputy Minister of MOCI. Discussed issues such as: defining competitiveness, the new role of the government, development objectives and strategies and other important industrial development issues, such as competitiveness, diversification, PSD, support services	February/ March
3	Start international consulting missions on component 1.4, i.e. Strengthening Industrial Statistics	March
4	Agreement on establishing the National Industrial Policy Office (NIPO)	April
5	Start international consulting mission on component 1.3, i.e. Governance Support Network	April
6	UNIDO Chief Technical Advisor (CTA) on the job at the IPU, in support of the local management of the Unit, as well as carrying out specific consulting tasks related to the IP, in particular as regards making a first identification of clusters	April
7	Start international consulting mission on component 3.2, i.e. Business Development Services for SMEs	April/May

Nr	Activity	Date
8	Review meetings with public and private institutions in KSA on the preliminary results of the study on "Diagnosis of Industrial System and Sectoral Competitiveness", with the view to get input for the final version; this to be used as an input for the industrial policy strategy	May
9	Meeting UNIDO consultants with Royal Commission for Jubail/Yanbu	May
10	Third instalment of Trust Fund Agreement ($551.3) from KSA remitted to UNIDO	June
11	UNIDO mission of Program Team Leader to Riyadh for tuning inputs of UNIDO consultants and various operational matters to be discussed with MOCI, among theses: the proper functioning of the management infrastructure for the IP, planning of inputs to be delivered by UNIDO consultants, the extension of the IP with another 11 months up till the end of 2006 and the subsequent adaptation of the overall planning	June/July
12	First Team Coordination Meeting in Riyadh with a high level expert group which included MOCI (among them the Minister and Deputy Minister), Chamber of Commerce & Industry, Council of Saudi Chambers, SOIETZ, KACST, Industrial Cities, Technology Zones, UNIDO PTL and experts. Important issue of discussion was related to cluster development	June
13	Fourth instalment of Trust Fund Agreement (192.800)	September
14	Vienna meeting with Team Leader, UNIDO experts and related international consultants, among them the CTA to discuss the methodology for the implementation of output 2.3 of the IP, i.e. Sectoral Development and Action Programs	October
15	First Steering Committee meeting in Riyadh, chaired by the Minister of MOCI and organized by MOCI and UNIDO with participation from: • public sector: Ministry of Petroleum and Minerals, SAGIA, King Abdulaziz City for Science and Technology, Ministry of Defence and Aviation, Industrial Estates and Technology Zones, KACST, Ministry of Transport, Royal Commission for Jubail and Yanbu, MOEP, Technical Education & Vocational Training, SIDF, MOIC • private sector: SCH, Council for Commerce & Industry, Al-Zamil Group Holding, Saudi Industrial Investment Group, Industrial Affairs, SABIC, Industrial Consultant, Al Banawi Commercial and Industrial Group, Office for Industrial Consultation, IT Consultant, Industrial Consultant, Al-Zaid Engineering Consultants, Saudi Advanced Industries Co. • UNIDO: HQ Program Management and Experts (4), NIPO (3), Local Consultants (2), International Consultants (4) Issues were related to Public Private Partnership and presentations of the UNIDO program management and experts on the state of affairs as regards the progress of the IP. Steering Committee expressed appreciation on the work done so far	December
16	UNIDO management meeting with international consultants and representatives of various industries on "Cluster Drivers"; UNIDO project team coordination meeting in Riyadh to discuss further action of the IP	December

Nr	Activity	Date
	2006	
1	Second Team Coordination Meeting in Vienna with Deputy Minister of MOCI and delegation to discuss with UNIDO Program Management the progress of the IP; meeting resulted in revised priorities (fastest possible delivery of the NIS; postponement of cluster activities and component 3)	March
2	Second Steering Committee meeting in Riyadh, attended by members of public sector, private sector and UNIDO experts. Issues to be discussed included the draft Vision Paper	April
3	Workshop on Industrial Development and Innovation	April
4	Submission of study on Economic Framework for Industrial Competitiveness in KSA	May
5	Third Team Coordination meeting in Cairo to review the status of the IP; attendants to the meeting were: Deputy Minister of MOCI, UNIDO PTL, program managers, as well as international and local experts	May
6	Submission of draft Strategy Paper for KSA by UNIDO local expert	June
7	Official visit of the UNIDO DG in KSA; discussions of IP progress with Minister and Deputy Minister; DG instructs setting up a UNIDO task force to accelerate the production Policy Strategy Paper "Industry 2020"	August
8	Fourth Team Coordination meeting in Vienna with Deputy Minister of MOCI and delegation (3), UNIDO staff (11) and consultants (6). Issues of discussions included: cluster development, the planning for implementing activities related to the design of the industrial strategy,	September
9	Final English version of the Strategy Paper "Industry 2020" ready and submitted to MOCI	November
10	Official submission and presentation by UNIDO experts of the Strategy Paper "Industry 2020" to the Deputy Minister of MOCI and his staff	December
	2007	
1	First consultation round: MOCI organizes workshops in different locations to present the strategy paper and to collect feed-back from stakeholders (national awareness and support)	February
2	Strategy Paper "Industry 2020" translated by UNIDO into Arabic	March
3	First draft of the NIS prepared by team of experts based upon feed-back from stakeholders	March
4	Second consultation round: submission of the first draft of the NIS to the SEC and collection of views from a wide range of stakeholders	April to October
5	Study Tour of MOCI officials, including the Deputy Minister, to Ireland to prospect best international practices	June
6	Second draft of NIS prepared and submitted for approval to the SEC, which has been granted	November
7	Second draft of National Industrial Strategy submitted to the Cabinet of Ministers for final approval (decision pending at the moment of this evaluation)	December

3.3 Component 1: Strengthening industrial governance

According to the IP document, the **critical problem** to be addressed by this component was developing *"capacities of Government and private sector to cooperate in formulation and implementation of an Industrial Policy Framework"*. This component was broken down into four sub components that will be dealt with below.

3.3.1 Industrial governance framework

According to the IP document, the **success indicator** of this sub component was creating "*awareness of the Government and private sector on new forms of industrial governance"*

Activities carried out

- An awareness building workshop on new forms of industrial governance was held in June 2005 in Riyadh. The workshop was chaired by the Minister of MOCI, and attended by high-level representatives of public organizations, business and academic communities, UNIDO staff and experts. The workshop discussed the new global industrial setting and needs for flexible strategies and policies; new forms of governance and international experiences; need for participatory approach for strategy formulation and the role of the government and the private sector; process and phase strategy formulation; objectives and components of the IP and progress achieved so far; major results of preliminary diagnosis of competitive industrial performance and capabilities of KSA.

- Following the workshop, a meeting with the Minister of MOCI and UNIDO mission took place to discuss issues on IP implementation strategy and priorities and the need to setting up a Steering Committee in order to ensure national ownership and sustainability of the strategy development process as an precondition to speed up the implementation process.

- The Steering Committee for Industrial Strategy formulation was set up by the Ministry at the end of 2005 and was composed of the major public and private stakeholders. UNIDO prepared draft terms of reference and work plan for the Committee. Throughout the entire program period of three years the Steering Committee met trice, i.e. in December 2005, April 2006 and May 2006.

Results achieved

The result achieved goes much beyond the mere creation of awareness. New forms of Industrial Governance have been practically applied throughout the project. The Steering Committee for Industrial Strategy has become the central governance platform for preparing, discussing and adopting the Industrial Strategy in close cooperation with the private sector.

3.3.2 Industrial policy unit

According to the IP document, the **success indicators** of this sub component were: "*NIPO to be established, staffed and office facilities, budget and logistics provided; NIPO staff trained on policy formulation, monitoring and implementation and on-the-job training*

provided in the course of IP implementation; methodologies and guidelines prepared and provided to NIPO"

Activities carried out

- The National Industrial Policy Office (NIPO) was set up in the course of 2005 and became fully operational early 2006, when offices and equipment were installed and a minimum of staff recruited. A National Project Coordinator was nominated by the Government in April 2005 for recruitment by UNIDO as head of the office.

- Management of all IP activities; drafting of terms-of-reference, job descriptions and the work plan for NIPO and recruiting international experts (CTA) both to assist the set up and initial operation of the office and providing on the job training.

- Preparation of a training program on monitoring competitive industrial performance of the Saudi industries as well as operational guidelines (based on UNIDO CIP index and scoreboard) and submission of the same to the Government. At the request of the Government the implementation of the training programme was postponed and eventually did not take place.

- Development of an electronic library on industrial policy issues, which was provided to the counterpart.

Results achieved

The NIPO has gradually become the backbone for the implementation of the IP. It provided the infrastructure for NIPO staff and consultants to carry out the necessary data gathering and analysis for the development of the industrial strategy. NIPO has become the operational arm of the MOCI for policy formulation and stakeholder consultation. However, mainly due to the scarcity of staff and not yet fully defined organizational structures, the planned training and capacity building activities could not be fully implemented.

3.3.3 Governance support network

According to the IP document, the **success indicator** of this sub component was the *"Network (to be) reorganized and used as a practical and useful tool"*

Activities carried out

- Mission of an IT expert from UNIDO HQ to Riyadh in 2005 to discuss with MOCI counterparts the necessary hard- and software to support policy formulation and implementation. Without digging into a detailed analysis the following three level structure was retained:
    - SME-related information (publicly accessible),
    - information sharing among the network partners (government users), and
    - incorporation of an industrial observatory (industrial policy users);

  In addition, a front-end portal linked to 10 national network partners and a number of international databases was also decided.

- Installation of basic infrastructure and services including required equipment. The equipment and provision of training services were commissioned locally through UNIDO bidding procedures causing delays of nearly one year. The equipment was installed and training provided to the Ministry staff.

- Mission in 2007 of an expert from UNIDO HQ and an international consultant to Riyadh to recommend measures how to make the information support system and portal operational. The mission identified organizational bottlenecks, some of which could have been identified already during the 2005 mission.

Results achieved
Although with delays, the retained hard- and software has been installed and training carried out. The database is operational but the data available is scarce and not always of the required quality. Linkages with other databases in- and outside the MOCI not yet established. Solutions for the electronic delivery of business licences seem to be underway.

3.3.4 Strengthening industrial statistics

According to the IP document, the **success indicators** of this sub component were: "*improved capability in MOCI to produce, use and document industrial statistics and economic indicators; active participation of the Industrial Statistics Steering Committee in providing guidance, support and feedback on the Ministry's industrial survey plans and proposals".*

Activities carried out
- Industrial survey report was prepared and submitted to the MOCI based on the results of the executed industrial survey, which contained a set of industrial statistics tables and major findings. The main issue in the report was the design of an industrial database with a menu driven reporting system that produces the statistical tables in a given format.

- A design for regular annual industrial surveys, a new questionnaire for such surveys and a methodology for a production index were prepared and submitted to MOCI.

- A data system linking the survey results (primary data) with registration records (secondary data) has been designed and a user manual prepared.

- Recommendations were made to MOCI related to strengthening the statistical unit.

Results achieved
The necessary statistical data for the preparation of the industrial strategy were made available, at least partly. A new design for regular industrial surveys was prepared but not yet implemented. Recommendations for strengthening the statistical unit were made and seem to be partly under implementation. Further strengthening of statistical capacities required.

3.4 Component 2: Formulation of the industrial policy framework

According to the IP document, the **critical problem** to address with this main component was developing *"competitiveness and diversification in non-oil related sectors".* This component was broken down into four subcomponents, which will be dealt with separately below.

3.4.1 Diagnosis of the industrial system and sectoral competitiveness

According to the IP document, the **success indicator** of this sub component was *"finding of the diagnosis and relevant report approved by MOCI in consultation with the private sector"*

Activities carried out

- In April 2005 a UNIDO team carried out the diagnosis of the industrial system and prepared a first draft report. The main findings of the report were presented to the high-level national stakeholders (private and public institutions) in Riyadh in May 2005 and the diagnosis completed including feedback from counterpart.

- During the first Steering Committee meeting on 7 December 2005 in Riyadh, chaired by H.E. Dr. Yamani, Minister of MOCI and attended by all committee members from public and private institutions, the industrial assessment report and programme implementation strategy were endorsed.

Results achieved

The diagnosis has become the basis for the subsequent strategy formulation process and capacity building as well as the pre-selection of pilot clusters for further in-depth analysis and formulation of the cluster strategy. The diagnosis has been built upon UNIDO methodology and data from the UNIDO Industrial Scoreboard, demonstrating the validity of these instruments and the relevance of UNIDO as a "neutral broker".

3.4.2 Industrial development vision 2020

According to the IP document, the **success indicator** of this sub component was "*development option (to be) selected by MOCI in consultation with the private sector".*

Activities carried out

- Based on the assessment report, UNIDO's national and international consultants carried out interviews with national stakeholders to define strategic development priorities for the industrial sector. All related documents were reviewed and an extended outline of the initial draft Vision Paper was prepared. Draft Vision Paper was discussed at the Steering Committee Meetings and finalized based on comments provided by members of the Steering Committee, and on extensive discussions with KSA project team led by Deputy Minister of MOCI during the meetings held in Vienna between 18 and 20 September 2006.

Results achieved

The vision has become the cornerstone of the "Industry 2020"document.

3.4.3 Sectoral development strategies and action programs

According to the IP document, the **success indicator** of this subcomponent was *"developing capabilities of sectoral associations to formulate sectoral development schemes and action programmes".*

Activities carried out

- Preparation of work plan and methodologies for cluster initiatives in the Kingdom and carrying out initial research to define 3-4 pilot clusters for the development of the cluster based strategies as demonstration cases and inputs to the formulation of industrial policy framework. The Steering Committee Meeting in December 2005 endorsed cluster-based approach for strategy formulation and selected pilot clusters as plastics, electric machinery, glass and biotechnology.

- A separate cluster meeting with representatives of the provisionally selected clusters and UNIDO experts was convened under the chairmanship of the Deputy Minister of MOCI in December 2005.

- A follow up mission which was planned for February/March 2006, with the purpose to start an in–depth analysis of the selected clusters as part of the industrial strategy formulation process, was postponed at the request of the MOCI. The issue was discussed during a team coordination meeting with participation of Deputy Minister and National Project Coordinator in March 2006 in Vienna and was put on hold.

Results achieved

Influenced by contemporary thinking the initial concept of "sectoral" development strategies developed towards "cluster" strategies. This conceptual shift has also had an impact on the formulation of the "Industry 2020". This document includes the "Development of Regional Industrial Clusters" as one of its five components and develops action programmes for a number of pilot clusters. However, plans to push this analysis of pilot clusters even further and to initiate pilot activities already under the IP did not materialize due to Government priorities on drafting the green and white papers for the industrial strategy.

3.4.4 Industrial policy framework

According to the IP document, the **success indicator** of this sub component was developing/creating an "*Industrial Policy Framework approved by the Government*"

Activities carried out

- First and second drafts of the Industrial Strategy Paper drafted by a consultant from Egypt; discussions at meetings in Vienna and Cairo (May 2006); presentation to Steering Committee.

- Following a visit to KSA by the Director General of UNIDO in August 2006 top priority was given to developing the Industrial Policy Framework. UNIDO set up a task force of senior UNIDO staff and international and national experts to prepare a final draft of the Industrial Strategy Paper to be submitted on November 15th 2006 to MOCI, making use of the studies prepared so far and of the material produced in the first two drafts of the strategy.

- Presentations and discussions with the Steering Committee and senior staff of MOCI of the final draft of the Industrial Strategy Paper "Industry 2020", including a plan of action and budget estimations.

- Final version of "Industry 2020" produced in December 2006; Arabic translation of the document early 2007, as well as information material for stakeholder workshops in support to MOCI.

Results achieved
The "Industry 2020" document has become the basis for MOCI to start national consensus building and discussions with stakeholders. This process led to a first draft "National Industrial Strategy" in March 2007 and a final version in November 2007. This final version of the National Industrial Strategy has been approved by the Supreme Economic Council and awaits final approval of the Council of Ministers (see chapter 3.6) .

3.5 Component 3: Organizational support services

According to the IP document, the **critical problem** to address with this main component was developing *"capabilities of firms to improve their competitive performance"*. This component was broken down into six sub components which will be dealt with separately below.

As a result of the urgency as expressed by MOCI to finalize the activities, directly related to drafting an industrial strategy paper, this component was given lower priority and some of the resources were shifted to the finalization of the NIS (see chapter 3.6).

3.5.1 Investment and technology promotion

According to the IP document, the **success indicator** of this sub component was *"approval of the action plan and government support program"*

When starting the implementation of this component, it appeared that SAGIA (see chapter 2.2) had already carried out the necessary analyses. Therefore, this component was reduced to activities related to "technology promotion" only. These activities, however, were focusing on "innovation", rather than on "technology promotion" in the traditional sense of the word.

Activities carried out
- An analysis of the national innovation system has been carried out and two reports were prepared (1) "Building up the national industrial innovation system in KSA" and (2) "Upgrading technology as a factor for industrial diversification and competitiveness in KSA: Defining and strengthening the national research and innovation system".
- The reports were discussed at a workshop by high-level industrial experts prior to submission to the Government.

Results achieved
The initial theme of this subcomponent was refocused from "investment and technology promotion" to innovation, reflecting country needs, Government priorities and international trends. The analytical work under this subcomponent has become the basis for component II of the strategy paper "Industry 2020", which includes an action plan for a government support program in the area of innovation.

3.5.2 Business development services for SMEs

According to the IP document, the **success indicator** of this sub component was *"approval of the action plan and government support program"*

Activities carried out

- Two missions were fielded in order to analyze the state of affairs as regards the SME sector and their needs for business development services. The final report "The SME Sector in KSA: A Survey of its Character and Problems" was produced mid 2005 and included proposals for follow up action by MOCI.

- Due to time constraints of national staff, a planned workshop on the results and the way forward could not be held.

- A planned survey on Business Development Services and a pilot technology incubator feasibility study, as part of the cluster program, were not executed.

Results achieved

"Private sector and SME development" has become the subject of component I of the strategy paper "Industry 2020". This component includes nine projects dealing with an entire range of business development services for SMEs.

3.5.3 Standardization, accreditation and conformity assessment

3.5.4 Quality Management

According to the IP document, the **success indicators** of these two sub component were identical: *"approval of the action plan and government support program"*

When implementing the IP, these two components were merged.

Activities carried out

- An international consultant (former director of ISO) and two national consultants assisted in the implementation of these two subcomponents. A survey on the demand of services in the field of standardization, accreditation and conformity assessment was conducted and a questionnaire was prepared related to this survey. This questionnaire was circulated to the relevant enterprises and institutions.

- In December 2005 a two-day training workshop on Standardization, Conformity Assessment and Accreditation was organized by the NPC with the assistance of the national and international consultants. More than 100 participants attended.

Results achieved

Awareness on trends and priorities in the areas of standardization, accreditation and quality management has been created. Given the high priority on other subcomponents the Government requested not to pursue this subcomponent any further.

3.5.5 Human resources development

According to the IP document, the **success indicator** of this sub component was *"approval of the action plan and government support program"*

Activities carried out
No activity was recorded to have taken place (see remark under 3.5 above).

3.5.6 Business information network

According to the IP document, the **success indicator** of this sub component was *"approval of the action plan and government support program"*

Activities carried out
- No activities were carried out

3.6 Towards the National Industrial Strategy

The year 2007 was marked by the decisive process leading from the delivery of the Strategy Paper "Industry 2020" by UNIDO to the submission of a fully-fledged NIS document for final decision by the Council of Ministers. The MOCI has been in full command of this process. Remaining funds of the IP have been used for this purpose, although without significant direct involvement from UNIDO HQ.

As soon as the Strategy Paper "Industry 2020" became available, the MOCI set up an expert group in December 2006 to elaborate the National Industrial Strategy on the basis of this paper. The expert group was composed of the NPC; two senior consultants from Saudi Arabia; a UN-DESA senior advisor of the MOEP; and two international Arabic speaking consultants who had been previously involved in the elaboration of "Industry 2020".

Although the translation of the "Industry 2020" document prepared by UNIDO was found of good quality, translation into Saudi Arabic and adopting the standard format of all KSA government strategies proved to be a challenging task. The MOCI gave high priority to this aspect, which was found to be crucial in order to ensure political acceptability.

A first consultation round took place in January and February 2007 involving a number of workshops in Riyadh and in some of the regions. On several occasions the Deputy Minister himself presented the strategy. On the basis of the feedback received at these events the MOCI expert group prepared the first draft of the National Industrial Strategy, which became available as a printed document in March 2007.

A second consultation round followed on the basis of the March 2007 draft of the NIS. The document was submitted to an even a wider audience from all ministries, the private sector and other stakeholders as well as the competent technical working groups of the Supreme Economic Council. During this consultation round the MOCI received in total 80 to 90 pages of written comments from an estimated number of 300 contributors. Just to exemplify the type of comments to that draft version, below the reaction from the Riyadh Chamber of Commerce & Industry, which appear to be reflecting positions that were widely shared among public and private institutions:

- Infrastructure (land; electricity; transport) is perceived as a major bottleneck for industrial development and should be given a more prominent position in the NIS.

- The sharing of the financial contributions between the government and the private sector needs to be clarified. The strategy should include a financial commitment by the government.

- The NIS should elaborate in greater detail on the crucial question of technical training: Which institutions are supposed to provide which type of training?

- The clusters initiative is perceived as particularly urgent and should start immediately.

- No more time should be lost and the NIS should be launched as soon as possible.

- Innovation is recognized as an importance part of the NIS but a too direct link with this complex subject should be avoided in order not to delay the launching of those parts of the NIS that are perceived as pressing and consensual.

The major requests by the Supreme Economic Council pointed into the same direction: the NIS should include the further development of the Economic Cities (see chapter 2.2 under SAGIA), hence the request for a more ambitious approach and a much larger financial envelope. Furthermore, the NIS should not neglect the existing economic strengths of KSA: “Competitive advantage must build on existing and future comparative advantage”.

On the basis of the widespread and substantive comments received during the second consultation round the MOCI expert group prepared the second draft of the NIS, which differs from the first draft and from the Strategy Paper “Industry 2020” in a number of points.

Without delving into the details of the changes brought to the initial document during the two-staged consultation process, it should be mentioned here that the second draft of the NIS mentions eight axes of intervention and develops these axes into eight detailed programmes including a large number of projects. The eight axes are the following:

1 *Business environment*, entailing issues as industrial legislation, business start up, FDI;

2 *Industrial cluster development,* specifically related to knowledge-based industries;

3 *SME development*, initiating support systems, setting up incubation centers and business resource centers, improving competitiveness and mobilizing funding and finance;

4 *National innovation system* to be promoted, including networking and coordination, technology development support, technology and innovation funding and the setting up of technology centers;

5 *New sectors development;*

6 *Industrial services and support*, related among others to industrial cities;

7 *Human resources development* encompassing skills upgrade, job placement, job compatibility and the further development of training centers and institutions;
8 *Effective governance* in terms of redefining its role leading to internal restructuring and national governance.

The second draft of the NIS became available in November 2007 and was immediately submitted to the Supreme Economic Council who granted its approval in December 2007.

At the moment of this evaluation the NIS has been on the agenda of the Council of Ministers whose positive decision is expected soon.

As has been remarked earlier in this evaluation report, the practical implementation of the eight axes of the NIS is a highly complex activity which requires professional project management at the level of an executive body within or attached to MOCI. In discussions with representatives of the private sector the evaluation team noticed eagerness from their side in an expedient and professional implementation of the NIS.

3.7 Use of funds

By the end of 2007 the IP budget had been spent almost entirely. Considerable changes occurred between the planned amounts and the actual expenditure by subcomponent, reflecting the priority shifts mentioned above.

Table 4: Initial budget and actual expenditure by components and sub-components

Comp	Description Component/Sub component	Amount in US$		%		%
		Budget	Spent	Budget	Spent	
1.0	**Industrial governance capacity**	**719,000**	**695,900**	**37.3**	**36.1**	**- 3**
1.1	Industrial Governance Framework	74,000	68,000	3.8	3.5	- 8
1.2	Industrial Policy Unit	359,000	449,000	18.6	23.3	+ 25
1.3	Governance Support Network	145,000	110,000	7.5	5.7	- 24
1.4	Strengthening Industrial Statistics	141,000	68,900	7.3	3.6	- 51
2.0	**Industrial policy framework**	**528,000**	**638,000**	**27.4**	**33.1**	**+ 21**
2.1	Diagnosis of Industrial System and Sectoral Competitiveness	203,000	82,000	10.5	4.3	- 59
2.2	Industrial Development Vision	57,000	56,000	3.0	2.9	- 4
2.3	Sectoral Strategies and Action Programs	160,000	60,000	8.3	3.1	- 62
2.4	Industrial Policy Framework	108,000	440,000	5.6	22.8	+ 150
3.0	**Organization of support services**	**681,000**	**193,023**	**35.3**	**10.0**	**- 72**
3.1	Investment and Technology Promotion	148,000	69,950	7.7	3.6	+ 53
3.2	Business Development Services	203,000	37,000	10.5	1.9	- 82
3.3	Standardization, Accreditation, etc	78,000	21,073	4.0	1.1	- 72
3.4	Continuous Improvement & Quality Mgmt.	81,000	10,000	4.2	0.5	- 88
3.5	Human Resources Development	96,000	15,000	5.0	0.8	- 84
3.6	Business Information Network	75,000	40,000	3.9	2.1	- 46
	Development of the National Industrial Strategy: promotion and building up national consensus throughout 2007	**Nil**	**371,357**	**Not planned for**	**19.3**	
	Balance as at 31.12.2007	Nil	29,720	nil	1.5	
Total	**Integrated Program for KSA**	**1,928,000**	**1,928,000**	**100**	**100**	

The analysis of the utilization of funds against planned amounts by components and subcomponents as shown in table 4 leads to the following conclusions:

- Component 1 Industrial governance capacity. Expenditure broadly as planned, although less funding than planned went into the two subcomponents dealing with the IT network and with industrial statistics. This explains the limited results achieved in these areas (see above).

- Component 2 Industrial policy framework. Expenditure on this component has been about 21% higher than planned. This is primarily due to the significantly increased amount dedicated to subcomponent 2.4 dealing with the development of the industrial policy framework (US$ 440,000 instead of US$ 108,000). By contrast, expenditure on the two sectoral subcomponents remained significantly below targets.

- Component 3 Organization of support services. This component has not been implemented according to plans with an expenditure level of 72% below plans. The only subcomponent that has been executed according to plans is the one dealing with investment and technology promotion that has been reoriented towards innovation (see above).

- The above adjustments reflect the priorities of the government on the development of the industrial strategy. Although this focus was already clearly expressed during the redesign phase of the project the planning was not adjusted accordingly. The lower government priorities on developing sector and cluster strategies in close interaction with cluster representatives and on strengthening support services is clearly reflected in the spending structure of the programme.

- Upon request of the government most of the unspent amount has been dedicated to the process leading from the “Industry 2020” policy document to the actual national industrial strategy. Almost 20% of expenditures were dedicated to this subject, which was not explicitly accounted for in the initial planning. This process occurred in 2007 and it can be safely recorded that government took over the command of the project during this phase.

- The development, promotion and adoption of the NIS required US$ 811.000 instead of US$ 108,000 as initially planned.

- In addition to the small balance of US$ 29,720 shown in table 4 above, the accumulated interest of the finance received in 2004 and 2005 amount to approximately US$ 150.000.

IV
Program evaluation

4.1 Program design

Looking back at the program design phase (2001), the main challenge was to produce, within a year, an industrial strategy document, which should become the basis of a far-reaching industrial development program. Moreover, both sides agreed that this strategy had to respond to the unique situation and challenges of KSA and that a "blueprint" could, therefore, not adopted. It was clear from the outset that this would entail:

- Extensive data gathering and analysis;
- Strengthening the analytical and policy-making capacity of the MOCI;
- Further develop the industrial governance system towards broader and more active stakeholder involvement.

Ultimately, this led to extending the program twice, once in June 2005 until the end of 2006 and a later extension to December 2007, making it a three years implementation program, instead of one. With the benefit of hindsight the adopted program design may be considered over-ambitious given the heavy time constraints.

The program document does not give a clear answer whether the focus should be on rather long-term capacity building efforts (component 1) or on the fastest possible production of a high quality policy document (component 2). It was probably unrealistic to assume that both objectives could be achieved in parallel and within one or two years without clear priority setting. Under the given circumstances and policy priorities the justification of component 3 aiming at improving existing industry support mechanisms could have been considered even more questionable.

From the terms of reference given in 2001 by the Government of KSA when requesting to redesign the 1999 document, top priority was given to developing an industrial strategy. In the view of the evaluation mission this focus was not properly acknowledged. UNIDO's development approach was participatory in its nature and to build capacity through learning by doing. The Government, however, was far more interested in the delivery of an industrial strategy at the relatively short term, reason why also the initial number of years to implement the program was reduced from two years to one only. Ultimately, this difference of perception led to conflicting views, as appeared in the March 2006 meeting in Vienna and the intervention of the Director General of UNIDO in August of the same year.

The program document to be used when starting the implementation in February 2005, was the one that was produced and submitted to the Ministry in October 2001. In spite of the delay of nearly 3.5 years no further efforts were made to improve the program

document, neither in the duration, nor in any of the technical issues. This is possibly the reason why, shortly after the implementation started the sector approach was abandoned and instead the cluster approach - at that time a very new and relevant development - was advocated.

The formal quality of the program document would have left room for improvement. RBM principles were not fully applied: no logical framework analysis carried out and no logframe matrix included; program objectives poorly formulated (as activities) and without verifiable indicators. Furthermore, the program document does not include a set of realistic milestones that would have enabled tight hands-on management. Far more realistic milestones were made in June 2005, when it was decided to extent the program till December 2006.

The establishment of a Steering Committee so as to facilitate the implementation of the IP and to take care that Government views were indeed addressed, has been assessed by many stakeholders in both Riyadh and Vienna as very effective. For quite a number of local participants it proved, in addition, that the exchange between and among ministries and agencies, was extremely beneficial not only for the IP, but for tuning other, inter-ministerial, developmental activities as well.

Explicit remarks were made as regards the set-up of the NIPO, which in the view of their staff members should have been in place at the start of the activities in February 2005. The same was felt, although implicitly, by UNIDO experts, who –specifically during the first year of operations- were not able to get the right type of support in terms of carrying out their technical assignment (local counterparts) and logistics.

4.2 Intervention logic

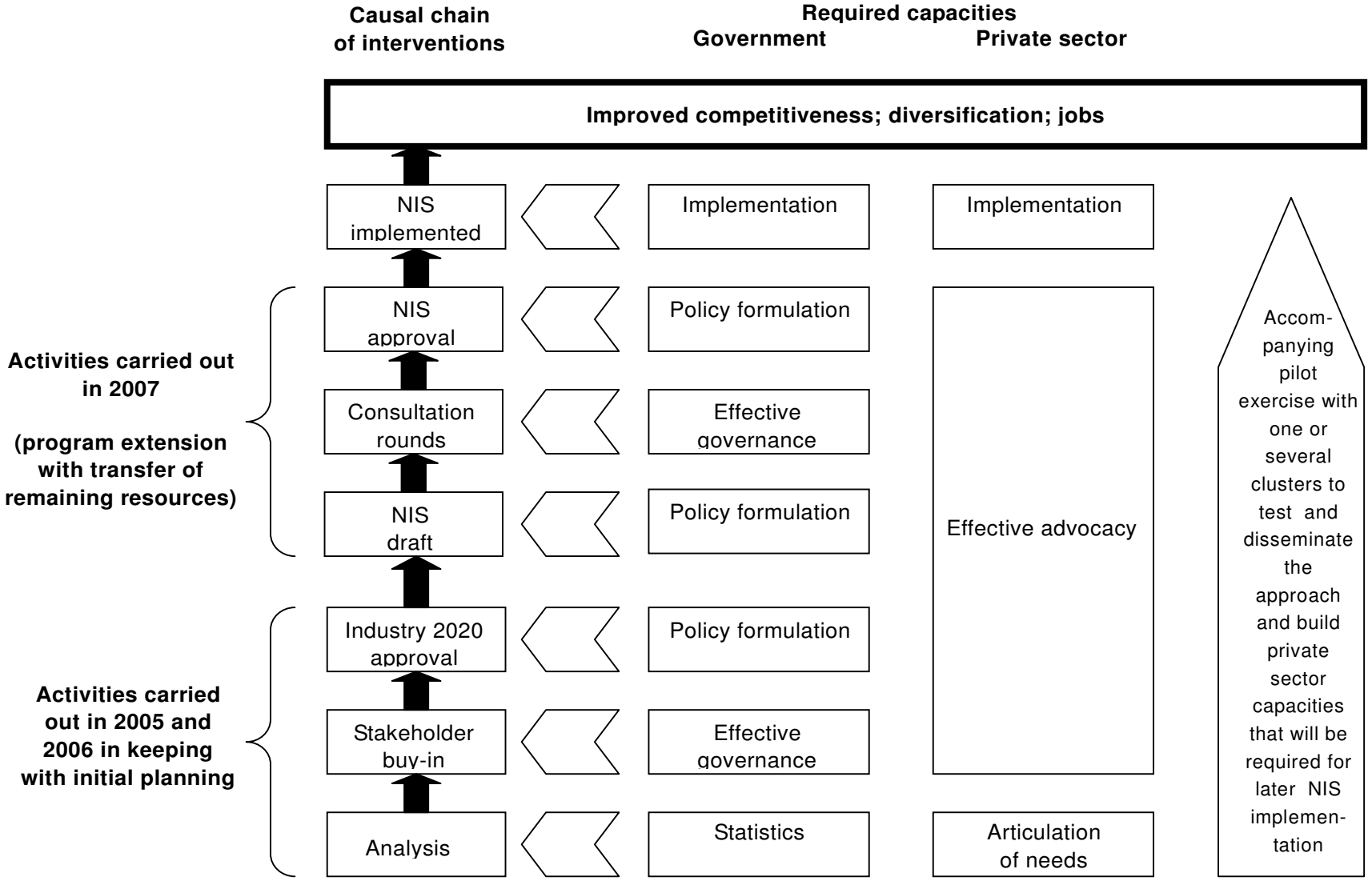
As already pointed out in chapter 2 the intervention logic presented in the program document has not been entirely clear and a logical framework of the program has not been prepared. The causal links between the three components and between the individual subcomponents (outputs) have not been specified and, as a result, certain weaknesses in common understanding of the intervention logic between the members of the IP team occurred.

The programme has been extended twice. The first extension did not encompass any (explicit) reformulation of the programme structure and activities but a strategic decision was made midway to not implement certain parts of the initial planning, i.e. no sector development but instead cluster development. These revisions were not laid down in a revised document.

The second extension in February 2007 included the further development of the “Industry 2020” document into a fully-fledged NIS the reallocation of resources to this purpose. This redesign has been described in chapter 3.6. The revised intervention logic for the extension was also not formally laid down.

Given this “moving targets” approach to implementation and the weaknesses of the initial planning documents the evaluation team has come up with its own (ex-post) view of what it perceived as an (assumed implicit) intervention logic of the program. This was found necessary as a reference for the evaluation provided in chapter 4 below. Exhibit 1 shows this (assumed implicit) intervention logic.

Exhibit 1: Intervention logic



Implicit intervention logic (as assumed by the evaluation team in the absence of a logframe in the IP document)

Column 1 shows the main thrust of the program intervention logic from the initial analysis to the "Industry 2020" document; from there to the formulation of the NIS and its maturing through consultation into a fully fledged NIS approved by the Government; and eventually the implementation of the NIS which should lead to the expected impact.

In order for this process to happen a number of essential capacities are required on the side of the government and of the private sector. These capacities are shown in columns 2 and 3. Essential capacities that should be available from the early stage of the process onwards are technical services (ICT network and statistics) on the side of the government and the capacity to articulate business needs on the side of the private sector. As the process develops, policy formulation, effective governance and advocacy and, eventually and most decisively, implementation management capacities will be required.

The initial planning included, although not explicitly, an accompanying pilot exercise with one or several clusters to test and disseminate the approach and to build private sector capacities that will be required for the implementation of the NIS once approved by the government. This pilot exercise, shown as column 4 in Exhibit 1, has been stopped by the above mentioned strategic decision in early 2006.

4.3 Relevance

Harnessing oil revenues to foster industrial growth in non-oil related sectors of the economy and to increase employment opportunities for a rapidly growing workforce are among the most prominent policy priorities of the government of KSA. The overall goal of the Integrated Program *"to enhance diversification and competitiveness in KSA*" responds to these priorities and to the major economic development challenges of the country.

The main thrusts of the government approach to industrial policy consist of strengthening the industrial governance system through a greater involvement of the private sector in industrial policy making; adopting a systemic development perspective with particular emphasis on policy coordination mechanisms; and applying cluster-based industrial development and innovation in order to enhance productivity and competitiveness.

The design of the Integrated Program reflects these priorities. It brings together the two aspects of strengthening essential capacities of both government and private sector as well as producing a major policy document and developing this document into a fully-fledged NIS. Both aspects are necessary preconditions to achieve the intended breakthrough in industrial development and hence of high strategic relevance.

During its implementation the program benefited from strong support by the Minister and Deputy Minister of the MOCI and by the Director General of UNIDO. This high-level attention and successful leadership witness recognition of the relevance of the programme by both partners at the highest levels of management.

UNIDO's worldwide experience in advising and assisting governments with industrial strategy development has been instrumental in securing the operational relevance of the program. Using data from the UNIDO Industrial Development Scoreboard and other policy benchmarks enhanced the relevance of the Strategy Paper in an international context. The access to international best practices in policy making of KSA policy makers were provided with was also highly relevant.

It can be safely recorded that the program has been highly relevant with regard to bringing international experience to the country. It should not be overlooked, however, that certain limitations of relevance occurred with regard to adapting this experience to the specific conditions of the country. On several occasions the government reminded the project team to avoid any impression of a "blueprint" approach that could undermine policy relevance.

Although full customisation to national conditions has been recognized as essential for achieving policy relevance it appears that this principle has been partly jeopardized by the scarcity of statistical data on one hand and the typical limitations of the UNIDO HQ based implementation approach on the other. While this remote implementation approach is normal for all UNIDO programs in countries without a UNIDO country office it is likely that the efficiency and also the relevance of the Integrated Program in KSA could have been further enhanced by a more field based implementation mechanism.

Shortcomings with regard to country presence were partly offset by the exceptional support and continuous attention from the top management from both MCI and UNIDO, which enhanced operational relevance. Without such support the flexible and consensual operational priority setting mechanism adopted during the course of the program would not have been possible. Top management support has been the key to ensure the relevance of the program not only by its design but also by the way its activities have been conducted and the Strategy Paper "Industry 2020" has been delivered.
It can be concluded that the overall objectives, the methodological approaches and the flexible way of operational planning enabled the Integrated Program to come up with the highly relevant Policy Strategy Paper "Industry 2020". Relevance could have been further enhanced by better statistical and other country data and by the presence of a UNIDO country office.

4.4 Government ownership and stakeholders' involvement

The development of any NIS is, by definition, at the very heart of national sovereignty and political responsibility of the government. In the present case under evaluation, the government has taken care of being in full command of the elaboration of the NIS at all stages of the process with regard to priority setting and formulation of the NIS. Without questioning this political responsibility of the government it is also clear that, in a free market economy like the one of KSA, the practicality and the success of the NIS depend entirely on the buy-in of the private sector as the most important stakeholder of industrial development. Effective advocacy is therefore a key capacity for the Private Sector to participate effectively in policy development.

Government ownership and stakeholder involvement have been the basic principles presiding the design and the implementation of the Integrated Program. Component 1 "Strengthening Industrial Governance" has been dedicated to laying the foundations for government ownership and stakeholders' involvement although strengthening private sector advocacy capacities has not been explicitly included as program objectives and activities.

The IP has been successful in fostering a consultative approach to policy making during the elaboration of the "Industry 2020" document and it also supported the extension of

this approach by the government to the subsequent elaboration of the NIS. The application of this approach is considered as one of the major achievements of the IP.

It is remarkable in this respect that the government applied the same philosophy for further developing the NIS after the delivery of the "Industry 2020" document by UNIDO. The two staged multi-stakeholder consultation process, which ultimately led to the approval of the current draft of the NIS by the Supreme Economic Council corresponds exactly to the "Green Paper" and "White Paper" consultation approach that proved to be successful in many industrialized countries and in the European Union.

While the program has been successful with regard to stimulating stakeholders' involvement and ensuring the *political* ownership of the process by the government, it should also be recognized that the target of strengthening the technical and analytical capacities of the MOCI was reached only partially. In this sense the *technical* side of government ownership would require further strengthening of capacity in the near future, in particular with regard to the huge management tasks ahead that will arise once the NIS will be out for implementation.

The reasons for not fully achieving the targets related to building technical capacity as a pre-condition to full government ownership are three-fold:

- The strategic decision in March 2006 of giving top-priority to the "Industry 2020" document and to shift resources from capacity building to finalizing this document;

- The persistently weak staffing of the NIPO and MOCI technical services such as the statistical office (some progress in this respect has been achieved, however, towards the end of 2007 and the beginning of 2008);

- The absence of a permanent UNIDO presence in the country, which would have enhanced the intensity and continuity of the capacity building efforts of the IP.

4.5 Effectiveness

Effectiveness is defined as the extent to which the development intervention's objectives were achieved, or are expected to be achieved. Taking this definition, the evaluation of effectiveness at project end may prove difficult in the case of policy programs, which are usually rather long-term endeavours. The program under evaluation is one of these cases. A more mundane definition of effectiveness has therefore been followed which can be described by the question whether a programme has *"done the right things*" (as opposed to *"doing things the right way"* – see below under efficiency). Proxy indicators for effectiveness used in the present case are the extent to which the national partners consider the deliverables (outputs) of the program useful, whether they actually use these outputs to achieve their priority objectives and whether such use is leading towards achieving the expected outcomes.

Applying these effectiveness criteria against the initial objectives and plans laid down in the program document shows a mixed picture.

Component 1 "Strengthening Governance Capacities" was overall effective. The initial policy unit set up by the IP was transformed into the National Office for Industrial

Strategies that has become the operational arm of the MOCI for developing the NIS. Furthermore, the industrial governance framework devised under the program has become mainstream practice for stakeholder involvement. The MOCI successfully applies the consultative policy making techniques introduced by the program.

The strengthening of government capacities under component 1 has been partially successful but not all expected outcomes could be reached. The program delivered outputs with regard to information technology and statistics in two forms: (1) studies by UNIDO and international experts providing analysis and recommendations and (2) on-site support by international and national experts. The limited absorption of these program outputs was mainly due to limited availability of specialized MOCI staff. Recently, this limitation has been partly overcome. The quality of the UNIDO expertise provided has been recognized but the capacity building approach applied was probably too much short-term and remote. As a result there is still room for further strengthening government capacities in the areas of statistics, ICT networks and policy formulation.

Component 2 “Industrial Policy Framework” was highly effective. The KSA government is currently building its NIS on the main program output of the IP (the Policy Paper “Industry 2020”). This direct and smooth transfer of the main program output into government policies is remarkable. Similar programs in other countries have not always been as effective in this respect.

The sub-component related to “sectoral development strategies and action programs” underwent a substantial conceptual change from sectoral to cluster policies. This conceptual change reflects both international and national trends in industrial policy. The fact that the government and UNIDO (implicitly) agreed from the outset on applying a cluster approach improved the prospects for effective program implementation. However, in 2006 it was agreed that all resources should be concentrated on developing the NIS. The evaluation team is of the opinion that this decision was appropriate.

The effectiveness of component 3 “Organization of Support Services” was mixed. It appears that there was no common understanding among the members of the IP team about the “action plans and support programs” that this component was supposed to deliver for six different thematic areas. In as far as the “action plan” aspect is concerned, most of these areas have been covered in the Strategy Paper “industry 2020”, although to variable degrees. The “action plan” aspect can therefore be considered as effectively covered.

By contrast, the actual “organization of support programs” for each of these themes did not go very far. However, program has been effective in providing the required expertise from both UNIDO technical staff and from international experts.

With regard to program effectiveness it can be concluded that, for most outputs, the IP “did the right things” in order to support the MOCI with achieving its primary objective, i.e. achieving government approval of an ambitious, medium-term NIS.

The decision taken in 2006 to refocus entirely on the delivery of the Policy Paper “Industry 2020” was useful and strengthened the overall effectiveness of the program because it allowed reallocation of the remaining resources in 2007 towards elaborating the two NIS drafts based on “Industry 2020” and carrying out the necessary consultation rounds.

4.6 Efficiency

Efficiency is defined as a measure of how economically inputs are converted to outputs through activities. Efficiency can also be described by the question whether a programme has *"done things in the right way"*. Indicators of efficiency are, among others, timeliness, responsiveness, flexibility, continuity, synergy, coordination and communication. Application of these indicators under the present evaluation shows mixed performances of the program with regard to efficiency.

Timeliness has been challenging during all phases of the program. The preparatory phase of the program took three years from program formulation to starting negotiations and one more year to negotiate the Trust Fund Agreement. When the program eventually started, the duration was reduced from two to one year, however, without adapting the design accordingly. As it could have been expected, this planning proved unrealistic and the duration of the program had to be extended twice. A number of delays occurred also during implementation. One of the cases highlighted by the partner has been the tendering procedure for IT equipment, which took eight months. From the UNIDO side it has been highlighted that the program operated under particularly difficult conditions with regard to obtaining travel visa. A significant number of missions had to be postponed or cancelled due to visa being late.

Strained communication has been another cause of delays. Both sides have reported that considerable response time to e-mails and proposals has been a serious and repetitive problem causing delays. It should be underlined, however, that significant efforts have been made to improve communication through relatively frequent meetings in Riyadh, Vienna and Cairo.

The efficiency of the program has also been affected by certain disruptions of continuity. On the side of the KSA government the arrival of a new Deputy Minister in 2005 brought about changes in the style of leadership provided and a priority shift. On the side of UNIDO team leadership changed four times, and although no negative value judgements were made from the side of KSA it obviously affected the efficiency in terms of communication, responsiveness, team coordination, etc.

Certain limitations of efficiency occurred with regard to mobilizing highly specialized expertise, which would be of highest international standard and at the same time fully acquainted with the specificities of the national environment.

Although the absence of a comparable UNIDO programme in another country makes it difficult to assess cost-efficiency it can be safely said that, from the customer perspective, the programme has been highly cost-efficient. As already pointed out the government tends to perceive UNIDO to some extent as a competitor of international consultancies and cost-efficiency has been clearly a positive argument for UNIDO.

4.7 Impact and sustainability

By producing the Strategy Paper "Industry 2020" and supporting the subsequent elaboration of the NIS the program laid the foundations for impact on industrial diversification, competitiveness and job creation (see intervention logic in Exhibit 1). Whether the intended positive impact will be achieved depends, however, entirely on the effective and efficient implementation of the future NIS.

The implementation of the NIS will, in turn, require administrative and analytical capacities that are currently not yet available. The capacity building efforts of the IP did not lead to putting into place a sustainable, powerful and flexible implementation mechanism with adequate participation of the private sector. The Government is fully aware that it will have to establish such a mechanism in due course. At present various possible solutions are currently under discussion.

In expectation of a positive government decision, the MOCI is currently preparing the implementation phase. Among other measures this includes also bringing new staff on board at the Industrial Strategies Unit.

4.8 Innovation

UNIDO played a remarkable role with regard to bringing innovative good practices from the international arena to KSA. Concepts and approaches proposed in the program document, which was initially developed in the late nineties were updated when the program started implementation. This is for example the case for adopting cluster policies instead of sector policies and innovation policies instead of technology promotion. The "industrial blueprint" concept, which was initially applied in the program document bears an inherent risk of "cut and paste" instead of innovation. It has been a good sign of innovativeness that the "blueprint" concept was explicitly rejected by all those entrusted with implementing the program.

However, not all tendencies towards a "blueprint" approach that characterized the initial program document could be fully overcome during implementation. This is in particular the case of component 3, which partly appears to reflect UNIDO's standard service modules rather than a genuine needs analysis of the specific country needs. Some of these weaknesses could be overcome through the decision to reallocate resources from component 3 to the NIS development.

4.9 UNIDO role and value added

As a UN Organization, UNIDO holds specific comparative advantages in the area of policy advice to governments and government capacity building. It appears that UNIDO has been able to create awareness of these comparative advantages, although in certain cases the misunderstanding of UNIDO as a "charitable" organisation that is mostly active in LDCs seems still to persist.

Most KSA authorities and experts interviewed by the evaluation team seem to be fully aware of the UNIDO role and its importance in the specific case of developing and implementing the NIS of the KSA. UNIDO's capacity to act as a "neutral broker" in the area of industrial development and the absence of political and commercial interest are recognized. The Organization is perceived as being able to offer management power and a wide range of specific experiences in industrial development. Its capacity to provide direct linkages to other countries engaged in similar experiences is recognized as one of its genuine assets.

For UNIDO to fully grasp the opportunities provided by its comparative advantages certain potential drawbacks should not be overlooked. UNIDO management should be fully aware that competition is fierce in a country like KSA, where government makes extensive use of services from a wide range of international consultancy companies. Expectations with regard to operational flexibility and responsiveness to client needs are high. UNIDO has been able to live up to these expectations, which is remarkable given its sometimes rigid rules and procedures. This achievement would not have been possible without the personal intervention and leadership of the UNIDO Director General and the excellent relationships he managed to establish with the client at the political level.

In its negative aspects of the fundamental differences between any commercial international consultancy and UNIDO as a UN Organisation have become clear during the negotiation phase of the program. Precious time was lost to overcome the substantial difficulties on the way to a viable financial and implementation agreement. Both sides have invested, throughout the year 2004, a considerable amount of time and efforts to negotiate a trust fund agreement that eventually became the legal basis for the program under evaluation. Future collaboration would be significantly enhanced by the existence of this legal basis that could be used as a model for similar agreements in the future.

In addition, it should be acknowledged that the relationship with the Government of KSA, who is directly contracting and financing UNIDO for an agreed program implementation, is of a very different nature as compared to the relationship with Governments who are "recipients" of programs financed by third parties. This may have caused differences in perception between the Government of KSA and the UNIDO program managers related to the approach and methodology of implementing the IP. The Government was eagerly interested to produce an industrial strategy for which a number of studies by UNIDO experts had to be made. The UNIDO program management wanted to achieve the same, however, by applying the successfully developed UNIDO approach of capacity building, pilot projects, participatory approach, learning by doing, training, workshops, etc. This development approach, in the end, may be more sustainable, however, is also far more time consuming, which did not match the urgency the Government of KSA. This urgency was apparently not recognized in the program design and was at a later stage rectified by both the Deputy Minister of MOCI and the UNIDO Director General.

The most significant improvement that UNIDO would have to accomplish in order to bring its comparative advantages into bearing relate to an enhanced and permanent presence of the Organization in the country. Most of the interview partners of the evaluation mission underlined this point as a necessary precondition for intensifying and broadening the collaboration between the KSA and UNIDO.

Annex A: Terms of Reference

I. BACKGROUND

The planning of the UNIDO Integrated Programme in the Kingdom of Saudi Arabia goes back to a visit of the then DG of UNIDO in 1998. Subsequently a programme document was formulated and eventually signed on 28 June 2004 by H.E. Mr. Saleh Bin Eid Al-Hussaini, Deputy Minister for Industrial Affairs, Ministry of Commerce and Industry and Ms. Haruko Hirose, Managing Director of UNIDO.

Under the title "Strategies to Enhance Industrial Competitiveness and Diversification in the Kingdom of Saudi Arabia" the IP includes seven interrelated projects that are all fully funded by the Government. Initially a one-year duration of the IP was planned. However, the IP was extended several times. The end of the programme is now envisaged for November 2006.

The evaluation should take stock of results achieved, draw lessons and prepare the grounds for the formulation of a new Integrated Programme.

II. PROJECT OVERVIEW AND BUDGET INFORMATION

Project	Total Allotment	Balance
STRATEGIES TO ENHANCE INDUSTRIAL COMPETITIVENESS AND DIVERSIFICATION IN THE KINGDOM OF SAUDI ARABIA	1,483,860	38,244
GOVERNANCE SUPPORT NETWORK	154,511	43,227
STRATEGIES TO ENHANCE INDUSTRIAL COMPETITIVENESS AND DIVERSIFICATION IN THE KINGDOM OF SAUDI ARABIA - STRENGTHENING INDUSTRIAL STATISTICS	22,180	-1
ACTION PLAN AND SUPPORT PROGRAMME FOR TECHNOLOGY PROMOTION	69,963	
STRATEGIES TO ENHANCE INDUSTRIAL COMPETITIVENESS AND DIVERSIFICATION IN THE KINGDOM OF SAUDI ARABIA (ACTION PLAN AND SUPPORT PROGRAMME FOR BUSINESS DEVELOPMENT SERVICES FOR SMES)	165,492	4,954
STRATEGIES TO ENHANCE INDUSTRIAL COMPETITIVENESS AND DIVERSIFICATION IN THE KINGDOM OF SAUDI ARABIA	31,673	
STRENGTHENING THE SAUDI ARABIAN GENERAL INVESTMENT AUTHORITY (SAGIA) IN INVESTMENT AND TECHNOLOGY PROMOTION	228,750	228,750
	2,156,427	***315,174***

Data as of end of September 2007

III. PURPOSE OF THE EVALUATION

The purpose of the independent evaluation of the Integrated Programme in the Kingdom of Saudi Arabia is to enable the Government and UNIDO to:

(a) Assess the outputs produced and outcomes achieved as compared to those planned and to verify prospects for development impact and sustainability.
(b) Assess the efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities.
(c) Provide an analytical basis and recommendations for the focus and design for the possible continuation of the project in a next phase (if applicable).
(d) Draw lessons of wider application for the replication of the experience gained in this project in other projects/countries.

IV. EVALUATION METHOD AND REPORTING

The evaluation is conducted in compliance with UNIDO evaluation policy as an independent evaluation.

Independent evaluation is an activity carried out during the project cycle, which attempts to determine as systematically and objectively as possible the relevance, efficiency, achievements (outputs, outcomes and impact) and sustainability of the project. The evaluation assesses the achievements of the programme against its key objectives, as set in the project document, including re-examination of the relevance of the objectives and of the design. It also identifies factors that have facilitated or impeded the achievement of the objectives.

The evaluation will be conducted at two levels: evaluation of selected IP components and evaluation of the programme as a whole.

The evaluation will be carried out through analyses of various sources of information including desk analysis, survey data, interviews with counterparts, beneficiaries, partner agencies, donor representatives, programme managers and through the cross-validation of data. While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties.

The evaluation report shall follow the structure given in annex 1. While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties. It will address the following issues:

A) Evaluation of (sub-) components

Ownership and relevance

The extent to which:
(i) The component was formulated with participation of the national counterpart and/or target beneficiaries, in particular the industrial stakeholders.
(ii) The counterpart(s) has (have) been appropriately involved and were participating in the identification of their critical problem areas and in the development of

technical cooperation strategies, and are actively supporting the implementation of the component.
(iii) A logically valid means-end relationship has been established between the component objective(s) and the higher-level programme-wide objective.
(iv) Changes of plan documents during implementation have been approved and documented.
(v) The outputs as formulated in the IP document are still necessary and sufficient to achieve the component objectives.
(vi) Coordination envisaged with other components within the IP or with any other development cooperation programmes in the country has been realized and benefits achieved.

Efficiency of implementation

The extent to which:
(i) UNIDO and Government/counterpart inputs have been provided as planned and were adequate to meet requirements.
(ii) The quality of UNIDO services (expertise, training, equipment, methodologies, etc.) were as planned and led to the production of outputs.

Effectiveness of the component

Assessment of:
(i) The relevance of the outputs produced and how outputs are used by the target beneficiaries.
(ii) The outcomes, which have been or are likely to be realized through utilization of outputs.

Impact

(i) Identify what developmental changes (economic, environmental, social) at the target beneficiary level (industry) have occurred or are likely to occur.

B) Programme-wide evaluation

Relevance and ownership

The extent to which:
(i) The IP was jointly identified and formulated with the central coordinating authority, as well as with the involvement of programme counterparts and their target beneficiary groups.
(ii) There is an agreement among the stakeholders that the objectives of the IP are still valid and that the programme supports the country industrial strategy.
(iii) The programme did and continues to met the MDGs and other international targets and is related to UNIDO's corporate strategy.
(iv) The programme is complementary with relevant bilateral and multilateral cooperation and coordination programmes (especially UNDAF and CCA).

Funds mobilization

The extent to which:

(i) The central national management and counterparts were able and willing, to contribute (in kind and/or cash) to IP implementation and in taking an active part in funds mobilization.
(ii) UNIDO HQs and the Field representation paid adequate attention to and was effective in funds mobilization.
(iii) The IP team and its stakeholders were in a position to participate in the process of allocation of seed money.

Programme coordination management

The extent to which:
(i) The central national management and overall field coordination mechanisms of the Programme have been efficient and effective.
(ii) The UNIDO HQ based management, coordination, monitoring of its services have been efficient and effective.

Programme identification and formulation

The extent to which:
(i) A participatory programme identification process was instrumental in selecting problem areas and counterparts requiring technical cooperation support.
(ii) The IP has a clear thematically focused development objective, which will contribute to goals established by the country, the attainment of which can be determined by a set of verifiable indicators.
(iii) The project/programme was formulated based on the logical framework approach

Synergy benefits derived from programme integration

The extent to which:
(i) Coordination amongst and within components led to benefits (such as cost saving in implementing UNIDO services; increased effectiveness resulting from providing different services to the same target group; increased effectiveness resulting from interventions aiming at strengthening linkages within a system; improved effectiveness due to services provided simultaneously at the level of policies, support institutions and enterprises).
(ii) The transaction costs of the IP (management and coordination of many stakeholders, complexity in funds mobilization, etc.) were commensurate to the benefits of integration.

Results at the programme-wide level (contribution to industrial objectives of the country)

Assessment of:
(i) The results achieved so far at the output, outcome and whenever possible impact level.
(ii) If the IP has, or is likely to contribute indirectly to the achievement of the Millennium Development Goals (indicate which ones).
(iii) Result indicators were developed and facilitated the assessment of progress towards national and international development targets.

V. EVALUATION TEAM

The evaluation team will be composed of one international evaluation consultant acting as team leader, one staff member of the UNIDO Evaluation Group and, optionally, by an national evaluation consultant (to be selected jointly by UNIDO and the Government).

The staff member of the UNIDO evaluation group will act as a member of the evaluation team and will participate in the evaluation mission in order to ensure the usefulness of the evaluation for UNIDO organisational learning.

UNIDO evaluation group will be responsible for the quality control of the evaluation process and report. It will provide inputs regarding findings, lessons learned and recommendations from other UNIDO evaluations, ensuring that the evaluation report is useful for UNIDO in terms of organisational learning (recommendations and lessons learned) and its compliance with UNIDO evaluation policy and these terms of reference.

All consultants will be contracted by UNIDO. The tasks of each team member are specified in the job descriptions attached to these terms of reference.

Members of the evaluation team must not have been directly involved in the design and/or implementation of the programme/projects.

VI. TIMING

The evaluation is scheduled to take place in November and December 2007. The field mission for the evaluation is planned to take place from 23 to 30 November .

After the field mission, the international team members will come to UNIDO HQ for debriefing. The final version of the evaluation report will be submitted 6-8 weeks after the debriefing at the latest.

VII. REPORTING

The evaluation report shall follow the structure given in annex 1. Reporting language will be English.

Review of the Draft Report: Draft reports submitted to UNIDO Evaluation Group are shared with the corresponding Programme or Project Officer for initial review and consultation. They may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. The consultation also seeks agreement on the findings and recommendations. The evaluators will take the comments into consideration in preparing the final version of the report.

Quality Assessment of the Evaluation Report: All UNIDO evaluations are subject to quality assessments by UNIDO Evaluation Group. These apply evaluation quality assessment criteria and are used as a tool for providing structured feedback. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality (annex 3).

Annex B: List of organizations and persons met

GOVERNMENT OF KSA	
NAME	**ORGANIZATION**
H.E. Dr. Khalid M. Sulaiman	Deputy Minister for Industrial Affairs of the Ministry of Commerce & Industry (MOCI)
Eng. Ahmed M. Al Sadhan	General Manager, National Industrial Program Office (NIPO) of MOCI
H.R.H. Prince Turki M.N.A. Al Saud	International Relations Manager of MOCI
Eng. Saud Moh. Arafat	International Relations of MOCI
Mr. Saleh Mopusa Al-Khalil	Director General for General Directorate for Supply of MOCI
Mr. Khalid Al-Baiz	Consultant to the Deputy Minister of MOCI and Member of Steering Committee
Eng. Khalid N. Al-Rajeh	Consultant to National Industrial Program Office (NIPO) of MOCI
Mr. Bassam Hamad Al-Bassam	Statistical & Industrial Follow-up Manager of MOCI
M. Mordhy Abdullah Al Khalil	Assistant Manager and System Analylist of Industrial Information Center of MOCI
Mr. Essam Hasan Al Alawi	Programmer of Industrial Information Center of MOCI
Mr. Saleem Altalli	Advisor to Industrial Information Center of MOCI
Mr. Ahmed Y. Al-Salloum	National Industrial Program Office (NIPO) of MOCI

GOVERNMENT OF KSA (cont.)	
NAME	**DESIGNATION**
Mr. Ali Al-Wahabi	National Industrial Program Office (NIPO) of MOCI
Mr. Abrar Hussain	NIPO of MOCI
Mr. Humoud S. Al-Rabiah	Head Investment Evaluation Office of Saudi Arabian General Investment Authority (SAGIA)
Mr. Nawaf Algain	Investment Department of Saudi Arabian General Investment Authority (SAGIA)
Mr. Talal N. Kensara	Project Management Specialist of Economic Cities Agency of Saudi Arabian General Investment Authority (SAGIA)
Mr. Saad M.A. Al-Fawaz	Manager Industry Department of Riyadh Chamber of Commerce & Industry
Dr. Ahmed Salah Habib	Ministry of Economy and Planning (MOEP)
Mr. Mohammed Mrayati	Sr. Advisor on Science & Technology for Sustainable Development of the Ministry of Economy and Planning (MOEP)
Dr. Meslet Al-Hajri	Government Partner/General Organization for Technical Education and Vocational Training
Dr. Khalid Buhaimed	King Abdulaziz City for Science and Technology (KACST)

PRIVATE SECTOR	
NAME	**ORGANIZATION**
Eng. Ali O. Al Zaid	Chairman & CEO of Saudi Real Estate Co. Al Akaria
Eng. Osama A. Kamakhi	Consultant of Saudi Real Estate Co. Al Akaria

PRIVATE SECTOR (cont.)	
NAME	**ORGANIZATION**
Mr. Mohammed Z. Al Laabon	General Manager of Rowad National Plastic Co. Ltd and Industrial Committee Member of Chamber of Commerce and Industry Riyadh
Mr. Ashraf Alam Shah	Sales and Marketing Manager of Rowad National Plastic Co. Ltd

UNIDO STAFF	
NAME	**DESIGNATION**
Mr. Mohammed El Gallaf	Regional Office for Arab countries and designated IP Team Leader
Mr. Yuri Akhvlediani	Deputy to the Director of the Private Sector Development Branch and de-facto IP Team Leader
Dr. Jebelamai Vinanchiarachi	Principal Advisor to the DG and acting Director of the Research and Statistics Branch
Mr. Jaime Moll de Alba	Industrial Development Officer at Research and Statistics Branch
Dr. Olga Memedovic	Industrial Development Officer at Private Sector Development Branch
Dr. M. Lamine Dhaoui	Coordinator of Thematic Issues at the Office of the Director General
Dr. Shyam Upadhyaya	Chief Statistician of Research and Statistics Branch
Mr. Rick Kennedy	Office for Strategy and Learning, former Industrial Development Officer at Private Sector Development Branch
Mr. Ricardo Fonseca	Senior Industrial Development Officer at Investment and Technology Promotion Branch

UNIDO CONSULTANTS	
NAME	**DESIGNATION**
Mr. Frederic Richard	Consultant; former Director of Research and Statistics Branch and former IP Team Leader
Dr. Mikael Roepstorff	Consultant; former UNIDO Senior Industrial Development Officer
Mr. Hans Pruim	Consultant; former Senior Industrial Development Officer at Information Systems Branch
Dr. Lobna Abdullatif	Consultant
Dr. Carlos Aguirre	Consultant
Mr. Paul Hesp	Consultant
Prof. Dr. Peter Heydebreck	Consultant
Dr. Chris Rodrigo	Consultant and CTA
Dr. Adnan Tameesh	Consultant

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