

KINGDOM OF SAUDI ARABIA

MILLENNIUM DEVELOPMENT GOALS

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Ministry of Economy and Planning



United Nations Development Program

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**IN THE NAME OF ALLAH
THE COMPASSIONATE
THE MERCIFUL**

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INTRODUCTION

Over the last two decades, several international summits and conferences were convened, with the aim of formulating a common development vision that would respond to existing needs and rise to new challenges; all within a framework of partnership at both national and international levels. A large number of topics were addressed, including: population, social development, women and gender equality, human settlements, children, the elderly, education, human rights, information technology, and sustainable developments; and substantial momentum has gathered.

International efforts to stress the fundamental links among peace, security and development, as well as provide a comprehensive vision for development and progress, culminated with the "Millennium Declaration" made by a summit of 147 heads of state, organized by the United Nations in September 2000. Subsequently, a system was developed to monitor progress towards a set of 8 general goals that came to be known collectively as the Millennium Development Goals (MDGs):

- Eradicate extreme poverty and hunger.
- Achieve universal primary education.
- Promote gender equality and empower women.
- Reduce child mortality rate.
- Improve maternity health.
- Combat HIV/AIDS, malaria and other diseases.
- Ensure environmental sustainability.
- Develop a global partnership for development.

Eighteen supplementary targets, derived from the general goals, are to be achieved by 2015, and forty eight indicators, several for each target, have been developed to monitor implementation and measure progress.

Progress towards achieving the MDGs is monitored at both the international and national levels. Every five years, the UN Secretary General submits to the UN General Assembly a comprehensive progress report. At the national level, each country prepares national progress reports, aimed at informing decision-makers and gaining their support. Such reports also serve to encourage participation of economic, social, and political institutions and the media, as well as the general public, in local and national efforts to achieve the MDGs.

The first national report of the Kingdom of Saudi Arabia was prepared in 2002, followed by a second report in 2006. The present report is the third in the series. All three reports were prepared by the Ministry of Economy and Planning, in close collaboration with the relevant government agencies, and with support from the United Nations Development Program (UNDP).

The report charts the progress made by the Kingdom towards achieving the MDGs at three levels:

- 1st. Development of an information and legislative environment conducive to achieving the MDGs.
- 2nd. Integration of the MDGs into sustainable development, through the development plans in general; the Eighth Development Plan in particular.
- 3rd. Persistent efforts to achieve, even surpass, the MDGs ahead of the schedule set by the UN.

The Eighth Development Plan constitutes the cornerstone of the endeavour to achieve the MDGs. Not only does it aim, through clarity of strategic vision and mobilization of human and financial resources, to consolidate work at the three above-mentioned levels, but also seeks to build a true partnership between national and global efforts aimed at creating a world of peace, security and development, within the framework of the MDGs.

Available data on implementation of the MDGs in the Kingdom demonstrate that the set targets for a number of goals have already been reached or even surpassed, while others are expected to be reached well ahead of schedule. Indeed, data cited later in this report show that 10 out of the 11 targets set for the first 7 MDGs have already been reached or would be reached before 2015. Moreover, the 11th target of ending the loss of environmental resources is being addressed by the Eighth Development Plan. The 10 targets are:

- Eradicating extreme poverty.
- Reducing the proportion of people who suffer from hunger.
- Ensuring that all children, boys and girls alike, will be able to complete a full course of primary schooling
- Eliminating gender disparity in primary, intermediate and secondary education.
- Reducing the under-five mortality.
- Reducing the maternal mortality ratio.
- Halting and beginning to reverse the spread of AIDS.
- Halting and beginning to reduce the incidence of malaria and other major diseases.

- Reducing the proportion of people without sustainable access to safe drinking water and basic sanitation.
- Significantly improving the lives of slum dwellers.

However, the report points out that monitoring of progress towards certain targets is hampered by lack of data, since statistical monitoring mechanisms for some MDGs, such as those related to the environment, are still at an early stage of development. Nonetheless, international endeavour to monitor the MDGs is motivating national efforts aimed at developing such mechanisms, which, in turn, should help remedy shortcomings of national MDG reports.

In summary, the most prominent, and considerably significant aspects of the Saudi experience in endeavouring to achieve the MDGs, are two. The first is the remarkable efforts made to attain the set targets ahead of schedule. The second is the success in integrating the MDGs not only into the Eighth Development Plan, but also into medium- and long-term policies.

OVERVIEW OF MONITORING AND EVALUATION ENVIRONMENT

Target	Ability to Conduct:					Quality of Survey Data
	Data Collection	Statistical Follow-up	Statistical analysis	Incorporating Analysis into Policy	Monitoring / Evaluation	
1. Extreme poverty: By 2015, halve the proportion of people who suffer from extreme poverty.	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good Medium ✓ Poor	Good Medium ✓ Poor
2. Nutrition and food security: By 2015, halve the proportion of people who suffer from hunger.	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good Medium ✓ Poor	Good Medium ✓ Poor
3. Education: By 2015, ensure that all children have access to primary education.	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor
4. Gender equality: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education by 2015.	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good Medium ✓ Poor	Good ✓ Medium Poor	Good ✓ Medium Poor
5. Health: By 2015, reduce by two thirds the under-five mortality rate.	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good Medium ✓ Poor	Good ✓ Medium Poor
6. By 2015, reduce by three quarters the maternity mortality rate.	Good ✓ Medium Poor	Good Medium ✓ Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good Medium ✓ Poor	Good Medium ✓ Poor
7. AIDS By 2015, halt and begin to reduce the rate of incidence of HIV/AIDS.	Good ✓ Medium Poor	Good Medium ✓ Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good Medium ✓ Poor
8. By 2015, halt and begin to reduce the rate of incidence of malaria and other major diseases.	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor
9. Integrate the principles of sustainable development into government policies and programs and end the loss of environmental resources.	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good Medium ✓ Poor	Good ✓ Medium Poor
10. Environment and Water: By 2015, halve the number of people without sustainable access to safe drinking water and sanitation.	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good Medium ✓ Poor	Good ✓ Medium Poor
11. Housing and Over-crowding: By 2020, achieve tangible improvement in the lives of slum dwellers.	Good Medium ✓ Poor	Good Medium ✓ Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good ✓ Medium Poor	Good Medium ✓ Poor

OVERVIEW OF PROGRESS ACHIEVED

Target	Will Target be Achieved				Current status of Supporting Environment			
	Expected✓	Probable	Not Expected	ID*	Good✓	Moderate	Poor but improving	Poor
1. Extreme poverty: By 2015, halve the proportion of people who suffer from extreme poverty.	Expected✓	Probable	Not Expected	ID*	Good✓	Moderate	Poor but improving	Poor
2. Nutrition and food security: By 2015, halve the proportion of people who suffer from hunger.	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor
3. Education: By 2015, ensure that all children have access to primary education.	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor
4. Gender equality: Eliminate gender disparity in primary and secondary education, by 2005, and in all levels of education by 2015.	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor
5. Health: By 2015, reduce by two thirds the under-five mortality rate.	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor
6. Health: By 2015, reduce by three quarters the maternity mortality rate.	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor

Target	Will Target be Achieved				Current status of Supporting Environment			
	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor
7. AIDS By 2015, halt and begin to reduce the rate of incidence of HIV/AIDS.	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor
8. By 2015, halt and begin to reduce the rate of incidence of malaria and other major diseases.	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor
9. Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor
10. Environment and Water: By 2015, halve the number of people without sustainable access to safe drinking water and sanitation.	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor
11. Housing and Overcrowding: By 2020, achieve tangible improvement in the lives of slum dwellers.	Expected✓	Probable	Not Expected	ID	Good✓	Moderate	Poor but improving	Poor

* ID = Insufficient Data

ECONOMIC AND SOCIAL FRAMEWORK

CURRENT SITUATION

Over the five years covered by the Seventh Development Plan (2000–2004), and the three years of the Eighth Development Plan, the Kingdom achieved extensive developmental progress, reflected in the higher welfare level enjoyed by citizens; attested to by improved per capita income and increased job opportunities, as well as by quantitative and qualitative expansion of health and education services. As a result of growth of oil and non-oil exports, notable improvements in the productive sectors and in both the balance of trade and the balance of payments have also been achieved.

Socioeconomic indicators reflect these successes. The national economy achieved an average annual rate of real growth of 3.4% during the Seventh Plan period, with per capita income rising to SR41668 (\$11112) in 2004, then to around SR56401 (\$15040) in 2006 and to SR59010 (\$15736) in 2007, the third year of the Eighth Development Plan. Moreover, diversification of the base of the national economy increased, with the share of the non-oil sectors constituting 72.2% of the total GDP in 2007, despite the remarkable growth of the oil sector in recent years.

The Saudi economy is also being increasingly integrated into the global economy, with the ratio of foreign trade in goods and services to the GDP reaching some 82.8% in 2007. An associated positive development is the improvement of the structure of both exports and imports: the ratio of non-oil commodity exports to total exports increased, while, reflecting improved competitiveness of domestic products and increased dependence on them, the ratio of commodity imports to total imports decreased.

DIRECTIONS OF DEVELOPMENT

In formulating socioeconomic policies and programs, the Kingdom adopts development planning. Comprehensive five-year plans play two basic complementary roles: directing state institutions and the public sector, and providing guidance to the community and private sectors.

The Eighth Development Plan (2005–2009), which entered its third year in 2007, sets the direction of socioeconomic development for the period; addressing the main challenges, as well as the policies, programs and resources required to meet them. The Plan represents a new stage in the process of development planning, which extends back to more than three

decades ago, and constitutes the first phase on the strategic path of the national economy over the coming twenty years. The MDGs are part and parcel of the goals of the underlying strategy that envisions a diversified prosperous economy; an economy that supplies rewarding work opportunities, provides good education and healthcare, achieves sustainable development and preserves national values and heritage.

DEVELOPMENT CHALLENGES

The most significant challenges to development in the Kingdom are:

■ ***Raising Standard of Living and Improving Quality of Life:*** Within a relatively short period of time into its development process, the Kingdom succeeded in increasing its income many folds, with per capita income growing at an annual rate of 2.8% over the period 1974–2007. Coupled with similar improvement in human development indicators, this growth has led to the Kingdom being classified, according to the human development index, in the top stratum of countries¹. However, promotion to the rank of advanced countries requires doubling per capita GDP and improving other human development indicators. Moreover, it is necessary to ensure that all social sectors enjoy the benefits of development, as well as resolve the issue of poverty.

■ ***Diversification of Economic Base:*** Ever since the start of development planning, diversification of the economic base has been a principal objective of economic and social development. Emphasis has, therefore, been placed on enhancing the role of non-oil sectors in the national economy. Indeed, notable success has been achieved, with the contribution of these sectors to GDP increasing from 51.2% in 1969 to 72.2% in 2007. Nevertheless, development of the non-oil sectors to enhance high-value-added production and services and raise their contribution to exports remains one of the main development challenges.

■ ***Rationalization of Role of Oil Revenues:*** Oil revenues have been the main engine of development. Despite expansion and diversification of the economic base, oil revenues remain the main source of state budget revenues that finance investment and operational expenditures. However, oil resources are non-renewable. Optimal utilization of the national capital represented by oil wealth would, therefore, require investing it in renewable assets that contribute to diversifying the economic base and achieving sustainable development; thereby enhancing non-oil public revenues and facilitating transformation of oil revenues into productive assets and human capital.

¹ The human development index of the Kingdom rose from 0.603 in 1975 to 0.812 in 2005.
Source: UN Human Development Database <http://hdr.undp.org/statistics>.

■ ***Development and Productive Employment of Human Resources:*** Through education and training, human development indicators have shown notable gains in the past two decades. However, demand for labour to meet the requirements of the development process surpassed national labour supply in many professions, necessitating recruitment of foreign labour. Suadization of jobs thus remains one of the main development challenges.

Moreover, in recent years, there has also been a mismatch between outputs of education and training and the skills and specializations required by development, leading to structural unemployment among citizens. This multi-dimensional issue is one the main development challenges.

■ ***Sustainability of Natural Resources:*** Water resources are of vital importance. Currently, the largest share of water consumed for agricultural, municipal and industrial purposes comes from non-renewable resources. However, whatever water reserves remain, sustainable development calls for rationalization of water consumption, as well as for large-scale investments in developing full reliance on conventional renewable and other water resources.

Likewise, conservation and renewal of degraded agricultural lands, forests and other environmental resources, along with combating desertification, is a major challenge to sustainable development.

■ ***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 led to internal migration from rural to urban areas. The consequent immense increase in city populations and the huge geographic expansion of the cities has put their services and facilities under substantial pressure. Achieving regional balance is, therefore, one of the major challenges to sustainable development, calling for stimulation of economic activity in the least developed regions.

■ ***Competitiveness of the National Economy:*** Within a relatively short period, the Kingdom has succeeded in attaining a distinguished economic status, based on economic advantage in energy and petrochemical sector and some other activities. However, this advantage rests upon abundance of both energy and financial resources. Acquisition of new competitive advantages, leading to increasing and diversifying exports and to enhancing integration into the global economy in the context of accelerating globalization, constitutes one of the major issues of development.

SUPPORTING ENVIRONMENT FOR ACHIEVING DEVELOPMENT GOALS

A set of integrated factors support the development drive of the Kingdom; namely, adoption of sound economic and social policies, a good human potential, and many natural endowments and resources. The most significant of these factors are:

■ ***A Successful Development Experience:*** Despite recency of economic and social development, the Kingdom has made notable achievements, reflected in all sustainable development indicators. These achievements have been enhanced by proper setting of economic growth priorities throughout the successive seven development plans. Each such plan was based on current conditions, while ensuring continuity of the development effort.

■ ***Advanced Infrastructure and Services:*** All regions of the Kingdom are covered by advanced infrastructure for transportation, telecommunications, electricity, water, sanitation, and a distribution network for oil products, as well as by health, education, training and social services.

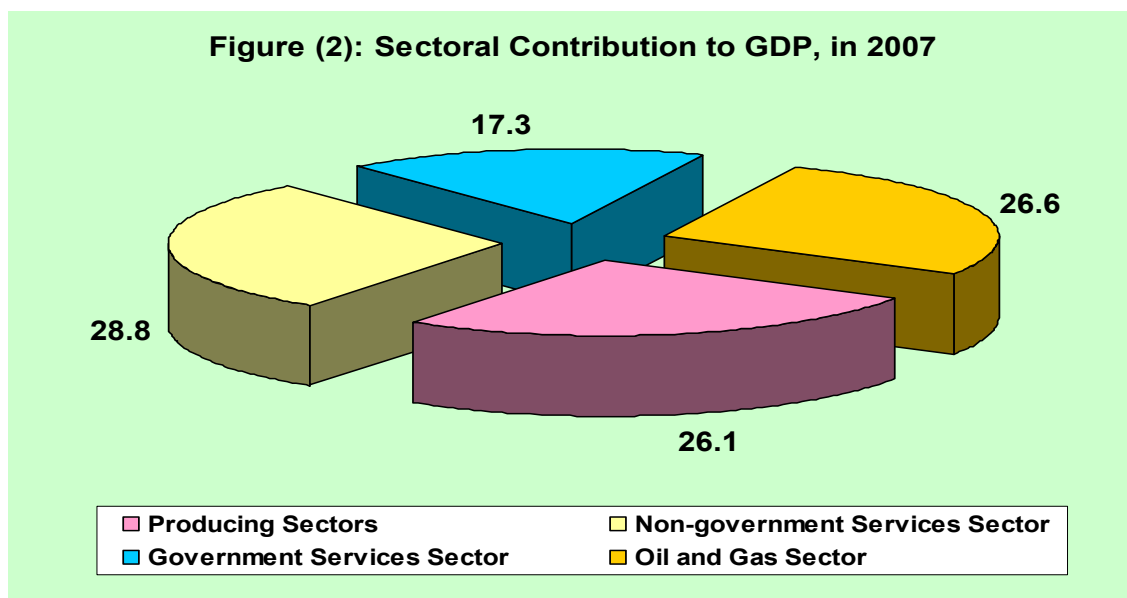
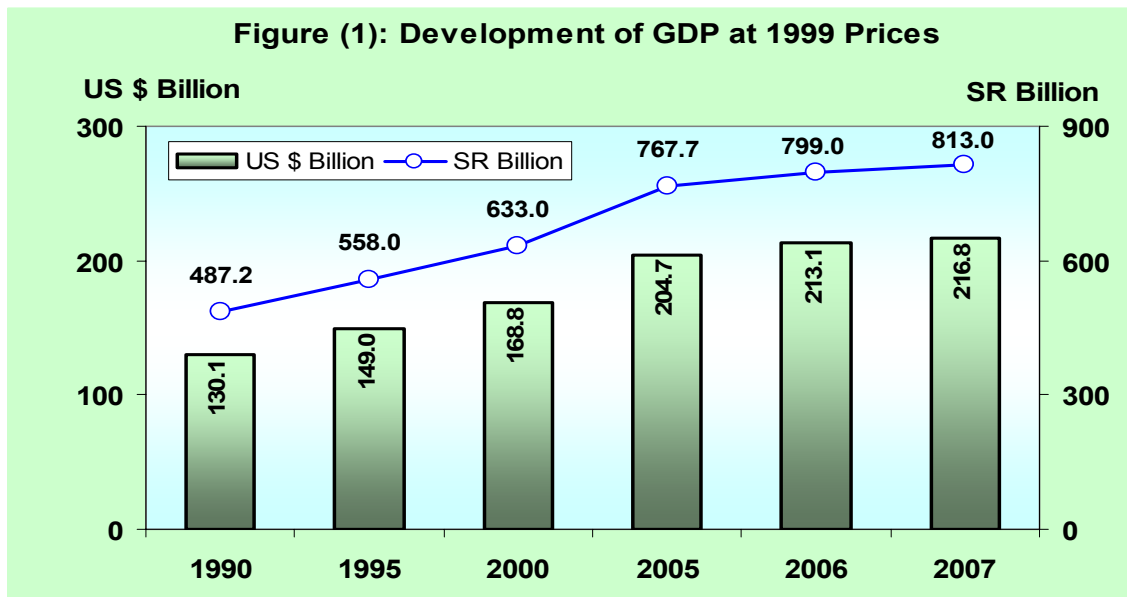
■ ***A Unique Experience in Developing Comprehensive Growth Centres:*** The Kingdom has built two industrial cities at Jubail and Yanbu in a record time. The two cities have attained a distinguished status in production of petrochemicals, both regionally and internationally, with the Kingdom currently meeting 5–6% of world demand for petrochemicals.

■ ***An Active, Entrepreneurial Private Sector:*** The private sector enjoys a high degree of dynamism, contributing to 54.9% of the GDP in 2007, with activities covering all available fields. Financial and administrative capabilities of the sector enhanced, as it moved from high dependence on government contracts and public expenditure to self-propulsion; thereby becoming a major partner in the development process.

■ ***Abundance of Material Resources:*** Both the public and private sectors in the Kingdom have the requisite financial resources for development. Moreover, oil resources and huge reserves are sufficient to meet the needs of development, in addition to many economic factors that attract direct foreign investment.

■ ***The Institutional and Organizational Environment:*** Over the period covered by the Seventh Development Plan, efforts were focused on institutional and administrative development. Several measures were taken to improve public administration and enhance its efficiency, and to promote a regulatory environment supportive of economic restructuring and of motivating business and investment.

■ **Geographical Characteristics of the Kingdom:** The Kingdom occupies a strategic geographic position. It is situated along Africa's eastern coast and constitutes the gateway of the Mediterranean countries to Southern and Eastern Asia, as well as to Eastern and South Eastern Africa. Hence, the Kingdom's ports link the three continents of Asia, Africa and Europe. This unique geographical position provides the Kingdom with great potential in air, sea and land transit services and re-export of goods.



* *Import duties 1.2%.*

Box (1): Some strategic Bases of the Eighth Development Plan (2005–2009)

- To accord concern to women's issues, promote women's capabilities, and remove obstacles to participation of women in development.
- To provide care for needy citizens and reduce poverty.
- To promote education and training at all levels and give due attention to their outputs.
- To promote public services, improve their quality and availability, in line with the increasing actual needs of the population.
- To adopt a population policy that takes into consideration quantitative and qualitative population changes and the geographic distribution of the population, and enhances the relationship between population variables and the requirements of sustainable development.
- To adopt integrated management of water resources; maximizing their benefits, while rationalizing their utilization.
- To encourage voluntary and charitable activities in social work, healthcare and education.
- To sustain care for environmental protection, promote environmental regulations, protect and develop wildlife, and conserve natural resources and rationalize their utilization.

Box (2): Selected Targets of the Eighth Development Plan (2005–2009), Related to the MDGs

- To achieve an annual per capita income growth rate of 2.1%.
- To achieve an average annual GDP growth rate of 4.6%.
- To achieve an average annual growth rate of the non-oil sector of 5.2%.
- To raise the share of the non-oil sector in GDP from 73.5% to 75.7% by 2009.
- To achieve an annual growth rate in total capital investment of about 10.7%.
- To increase the ratio of nationals in the labour force from 42.7% in 2004 to 51.5% in 2009.

Table (1): General Indicators (2007)

Indicator	Value
* Population (million)	23.98
* Population growth rate (%)	2.51 ⁽¹⁾
* Real GDP (billion US dollars)	216.8
* Per capita of GDP (thousand US dollars/year)	15,7
* Life expectancy (years)	74.3
* Literacy rate (% of 15-years old and above)	96.7
* Fertility rate (average births per woman)	3.7
* Ratio of foreign debt to GDP (%)	0.0
* Ratio of investment to GDP (%)	20.0
* Ratio of volume of trade to GDP (%)	82.7

¹⁾ *Saudis only.*

GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

TARGET 1:

Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.

Target Indicators	1990	1995	2000	2005
* Ratio of families living under extreme poverty (%) ^{*#}	–	–	–	1.63
* Extreme poverty gap	–	–	–	0.02
* Share of the poorest quintile in national consumption (%)	–	–	–	–

*) *Extreme poverty line has been estimated at about \$2 a day per person.*

#) *On average, a Saudi family consists of 6 members.*

TARGET 2:

Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Target Indicators	1990	1995	2000	2004	2005	2006*	2007*	2009*
Prevalence of underweight children under five years of age (%)	n.a.	n.a.	5.1	6.4	n.a.	7.8	5.6	3
Proportion of population below minimum level of dietary energy consumption (%)	4.0	3.0	2.6	2.3	2.2	–	–	–

* *Targeted by the Eighth Development Plan (2005–2009).*

CURRENT SITUATION

Poverty reduction is a central objective of economic and social development. Poverty, however, is not limited to material deprivation, but has many other dimensions, such as hunger, lack of adequate shelter, inability to secure medical treatment, lack of access to education and schooling, illiteracy, and unemployment. In this broad sense, combating poverty and its ramifications takes many forms that cut across sectors and approaches. Nevertheless, unemployment remains the major cause. Wide availability of educational, health, and social security services in all parts of the Kingdom to all targeted and needy groups has confined poverty to small pockets. However, citing the fact that poverty is limited is not meant to detract from the importance of combating it; but merely to put in perspective.

■ **Social Care Services:** A wide range of social and economic support is being provided to the poor and needy, through programs run by the Ministry of Social Affairs and by community organizations. Care and support services take two forms: material and in-kind assistance and periodical payments; and direct services provided by care centres. These services are:

First: Direct income support to poor families provided by the state through financial assistance and social security payments. The latter increased over the period 1993–2007 at an annual rate of 2.3% to around SR7797 million (\$2079 million) in 2007. Moreover, expenditure on assistance increased at an annual rate of 5.7% to about SR2970 million (\$792 million) in 2007.

Second: Social care and support services are provided by the state through a number of institutions and programmes:

- Services to the disabled and the paralytic; 11,971 beneficiaries in 2007.
- Juvenile care and observation services; 14,596 beneficiaries in 2007.
- Local community development services; 418904 beneficiaries in 2007.
- Care provided to orphans and aged persons, directly or indirectly, as well as non-institutional care services, including various programs, such as: the foster family program, the program of providing family care to paralytic children, and the disabled assistance program; 14,2846 beneficiaries in 2007.

Through about 425 community private organisations, the private sector plays a major role in providing care and social support to the poor and needy. Programs cover private education and training, childcare, healthcare, care for the aged and the disabled, charity housing, and housing improvement, as well as other fields of social solidarity. The Eighth

Development Plan emphasised the pivotal role of private organizations in providing assistance to the needy. It is noteworthy that total expenditure by the private organizations on assistance programs and activities amounted to SR1539 million (\$410 million) in 2007.

■ ***Strategy for Addressing Poverty:*** The Kingdom has formulated a comprehensive national strategy for eradicating extreme poverty and reducing the incidence of poverty in general. This strategy provides for establishing a database through surveys designed to measure various poverty indicators, determine the poverty line, find out the proportion of the poor to the total population, and identify the vulnerable social groups and the geographic areas where the poor are concentrated. It also provides for identifying the causes of poverty and the programs and policies required for a radical, lasting resolution of the problem.

Moreover, the strategy proposed a set of programs, which have been adopted, including:

First: A “Supplementary Support Program” to bridge the gap between the actual family income of the extremely poor and the poverty line established for the Kingdom, costing about SR264 million per year.

Second: Support for the “National Charity Fund” by SR 300 million per year.

Third: Increasing by SR82 million per year (i.e., a 100% increase) the funds assigned for orphans with special needs, in order to cover subsidies to foster families, school benefits, end-of-foster-care benefits, marriage support, and allowances for residents of orphanages.

Fourth: Developing an "Emergency Assistance Program" for under-absolute- poverty-line families facing emergencies exacerbating their suffering, such as death, sickness or imprisonment of the family provider, sickness of children, and fires or natural disasters. The maximum amount of such assistance depends on the nature of each case and the degree of sufferance.

Fifth: Increasing the amount assigned for charitable societies by 200%, from SR100 million to SR300 million.

Sixth: Assigning SR 10 billion to the social housing program in all regions of the Kingdom.

Seventh: Increasing the assistance assigned to the disabled by 47%, from SR570 million to SR 839 million.

Eighth: Increasing the maximum level of social security benefit for each family from

SR16,200 to SR31,100 per year. Total expenditure increased from 2005 to 2007 by 251%, from SR3101.4 million to SR7797.3 million, while the number of beneficiaries increased by 16%, from 479,844 to 558,898.

Other programs implemented by social security in favour of the poor include:

1. Program for furnishing and equipping houses of the poor, which has covered 7224 housing units.
2. Productive family projects program, such as hunting project at Gahma Centre in the Assir region.

The following social security programs have been approved and will be implemented soon:

- School-bag-and-uniform program.
- Program for dispensing medicines for chronic diseases.
- The house renovation program.
- The program for supporting services bills.

Ninth: Increasing support for social development programs by 35%, from SR40 million to SR54 million.

Tenth: Increasing financial support for children of Saudis abroad by 300%, from SR1 million to SR4 million.

■ **Poverty Indicators:** The extreme poverty line in the Kingdom (food insufficiency) was estimated at about 2 dollars a day per person. In 2005, families living in extreme poverty constituted 1.63% of the total number of families, or about 35 thousand families, while the average size of the Saudi family was 6 persons. For the same year, the extreme poverty gap is estimated at 0.02% of the GDP.

TOWARDS ACHIEVING THE GOAL

The Kingdom of Saudi Arabia plans to eradicate extreme poverty during the period of the Eighth Development Plan (2005–2009); expecting thus to achieve the targets specified under the First Millennium Goal prior to 2015, the date specified by the UN.

CHALLENGES

The principal challenge to eradicating poverty stems from its multi-dimensionality, for it intersects with most aspects of economic and social development, with progress towards that goal requiring parallel progress towards other development goals at both the macro and the sectoral levels. Therefore, increasing income in general, and of low-income groups in particular; attaining balanced development; creating job opportunities for all Saudis, with the requisite education and training of manpower; eradication of illiteracy; and provision of health and social care and other public services; all constitute inputs for a lasting, radical resolution of the issue of poverty. The objectives, investments and programs of the Eighth Development Plan, address these challenges in an attempt to achieve sustainable development, improve the quality of life of the citizens, and expand the range of options available to them.

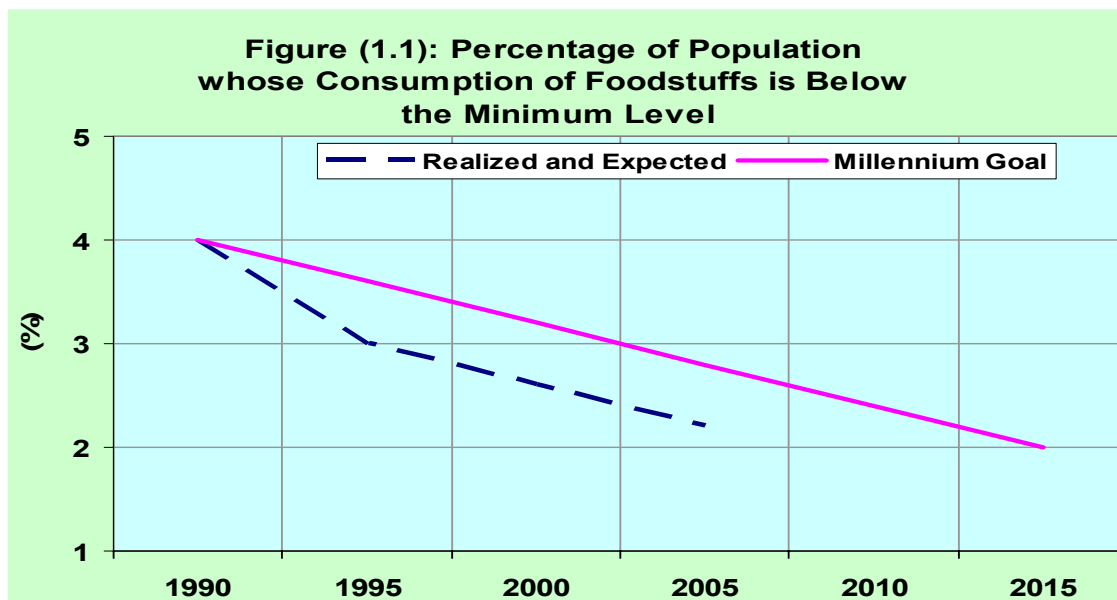
However, international experience demonstrates that poverty remains a serious threat to vulnerable groups no matter how advanced society may be. It is, thus, imperative to create an efficient social protection network, capable of not only curbing and combating poverty, but also of preventing its incidence. The creation of such a network is a lasting challenge.

SUPPORTIVE ENVIRONMENT

The development planning process adopted by the Kingdom provides a framework for studying, analysing and evaluating all factors affecting the living conditions. Furthermore, the Eighth Development Plan is a cogent program for economic and social development, giving high priority to issues relevant to poverty reduction, such as unemployment, balanced development, and provision of social services and care. The plan would, therefore, enhance efficiency of policies and improve the conditions for attaining standard-of-living objectives in general and poverty reduction in particular.

Moreover, availability of financial resources enables the Kingdom to act quickly and decisively to alleviate poverty through social security measures, giving more time to lasting, radical solutions to come to fruition.

Lastly, the Kingdom enjoys advanced institutional and organizational capabilities. Noteworthy in particular are community organisations that provide support and care to the needy throughout the country, playing an essential role, complementary to that of relevant state institutions.



Box (1.1): Some Features of the National Strategy for Combating Poverty

A. Fundamentals of the Strategy:

- To provide the poor with opportunities to build and enhance their material and human assets, by providing job opportunities, credit, education, training and health services.
- To enhance the capability of the poor to participate efficiently in economic activities.
- To improve the living standards of the poor by enhancing their ability to face health, natural and economic risks.

B. Themes of the Policies of the Strategy:

1. **Macroeconomy:** policies aimed at accelerating economic growth and distributing its benefits equitably among the regions and social groups.
2. **Economic empowerment of the poor:** policies aimed at making the poor own means of production, and raising their productive capabilities, as well as increasing work opportunities open to them.
3. **Public services:** policies aimed at improving health, education and municipal services.
4. **Social protection:** policies aimed at increasing the effectiveness of the social security network and enhancing the role of benevolent and voluntary organisations in poverty alleviation.
5. **Family property:** policies and programs aimed at solving housing problems and providing adequate housing for the needy.

Box (1.2): Overview of Current Situation**Will the goal have been achieved by 2015?**

✓Expected Probable Not possible Insufficient Data

Supportive environment

✓Good Moderate Poor but
Improving Poor

Box (1.3): Selected Targets from the Eighth Development Plan Relevant to the Goal

- To increase Saudi per capita income by 2.2% annually.
- To eradicate extreme poverty during the period covered by the Plan.
- To raise enrolment in primary schooling to 100%.
- To review coordination mechanisms among agencies concerned with family care, with a view to developing them and raising their efficiency.
- To prepare an annual survey to evaluate effectiveness of the social safety net.

Box (1.4): Monitoring and Evaluation Environment

Factor	Evaluation		
Data collection capabilities	<u>✓Good</u>	Medium	Poor
Quality of survey data	Good	<u>✓Medium</u>	Poor
Statistical follow-up capabilities	<u>✓Good</u>	Medium	Poor
Statistical analysis capabilities	<u>✓Good</u>	Medium	Poor
Ability to incorporate results of analysis into policies and resource planning	<u>✓Good</u>	Medium	Poor
Monitoring and evaluation mechanisms	Good	<u>✓Medium</u>	Poor

GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

TARGET 3: Ensure that, by 2015, all children, boys and girls alike, will be able to complete a full course of primary schooling.

Target Indicators	1990	1995	2001	2004	2005	2006	2007
1. Net enrolment ratio in primary education (%)	84.5	89.8	92.6	92.8	92.8	92.8	93.0
2. Proportion of pupils starting grade 1 who reach grade 5 (%)	74.5	82	91	98.2	98.2	98.2	98.2
3. Literacy rate of 15–24 year olds (%)	85.9	89.4	93.7	95.9	96.3	96.5	96.7

CURRENT SITUATION

Education is the main pillar of economic and social development and the most important factor of its sustainability, for human welfare in a developed society, which is the ultimate goal of development, cannot be attained without educated, productive citizens and individual commitment to human values and ideals. Providing access to educational services and enabling citizens to derive full benefits from them is, therefore, one of the landmarks on the road to human development, as well as a central element in eradicating poverty, since education expands the scope of options and skills necessary for creating a productive citizen.

The Kingdom paid special attention to the education sector and endeavoured to provide education to all citizens, with the share of the expenditure on education amounting to 6.7% of the GDP in 2007². As a result, adult (15 year olds and older) literacy reached 82.9% and youth (15–24 years old) literacy reached 96.7% in 2007; a development that benefited both sexes, with the ratio of literate females to literate males among the youth reaching 97:100.

Primary schooling is crucial, since it determines, to a great extent, the future educational course of pupils. Total primary school enrollment in 2007 amounted to about 2.44 million pupils in 13,454 schools all over the Kingdom. In the same year, the number of new enrollees in primary education amounted to about 403.5 pupils. The average annual growth rate of enrollment over the period 1984–2007 amounted to 3.04%. It is worth noting that

² This ratio represents Budget allocation to GDP.

the public sector is the main provider of educational services, with a share in 2007 of 91.8% of total enrollment in primary schooling and 92.1% of total enrollment in all stages of education.

The proportion of pupils in grade 1 who reached grade 5 was 98.2% in 2007, which indicates the marked progress made over the preceding decade. In the same year, net enrollment in primary education reached 93%. This remarkable achievement attests to the ability to achieve before 2015 the goal of ensuring that all children, boys and girls alike, will be able to complete a full course of primary schooling.

Working for attaining universal primary education and increasing enrollment rates in all other levels of education, a number of measures have been taken and policies adopted, not only to guarantee education for all (high enrolment rates), but also to improve and maintain quality of education. Among such measures and policies are the following:

- Enforcing mandatory primary education, as per the decision taken in 2004.
- Establishing kindergartens throughout the country and intensifying family awareness and guidance programs aimed at impressing upon the population the importance of pre-school education, as per Royal Decree No. 7/B/5388 of 2002.
- Invigorating the mechanisms for involvement of parents in monitoring children's activities, as well as school management and teaching staff performance.
- Early identification of children with special needs and provision of appropriate teaching and rehabilitation.
- Addressing the economic and social constraints that impede enrolment of children from low-income groups. It is worth noting, however, that all education is provided free of charge.
- Intensifying programs, in both educational curricula and society at large, aimed at raising awareness of the importance of educational attainment.

Through these and other measures, the Kingdom aims at increasing the rate of enrolment in primary schooling, for both boys and girls, to almost 100% over the period covered by the Eighth Development Plan (2005–2009).

CHALLENGES

Full enforcement of mandatory primary education requires substantial enhancements of resources and capacities, such as schools, classrooms, qualified teachers, and other inputs of the educational process. This, in turn, calls for broader participation of the community sector in the provision of educational services at all levels, with government agencies and

community organizations joining forces within an effective, integrated framework.

Pre-school education plays a vital role in enhancing primary-school enrolment and lowering dropout rates. Provision of kindergartens with independent facilities throughout the Kingdom, constitutes a significant challenge, since the number of enrollees is expected to double over the period of the Eighth Development Plan.

SUPPORTIVE ENVIRONMENT

In recent years, several measures have been taken to promote public education and increase its efficiency, which, in turn, enhance chances of increasing enrolment rates at all levels, particularly in primary schooling. Foremost among these measures are: the decision to enforce compulsory primary education, taken in 2004; the decision to establish kindergartens as a separate level, taken in 2002; and entrusting all supervision of education to the Ministry of Education, as from 2003.

Furthermore, the steady support provided by government to the community sector, to enhance its role in the provision of education services at all levels, will contribute to achieving a qualitative shift in providing educational services; making the private sector more responsive to the needs of society, through participation in the development of programs and policies.

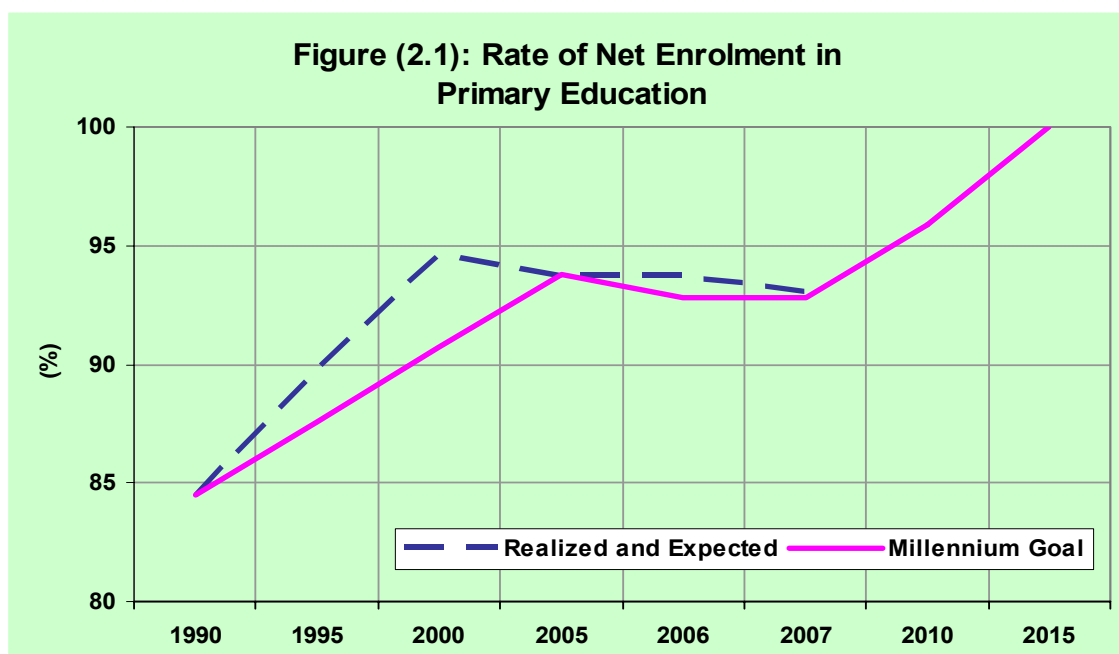


Figure (2.2): Proportion of Pupils in Grade One Primary Education Who Reach Grade Five

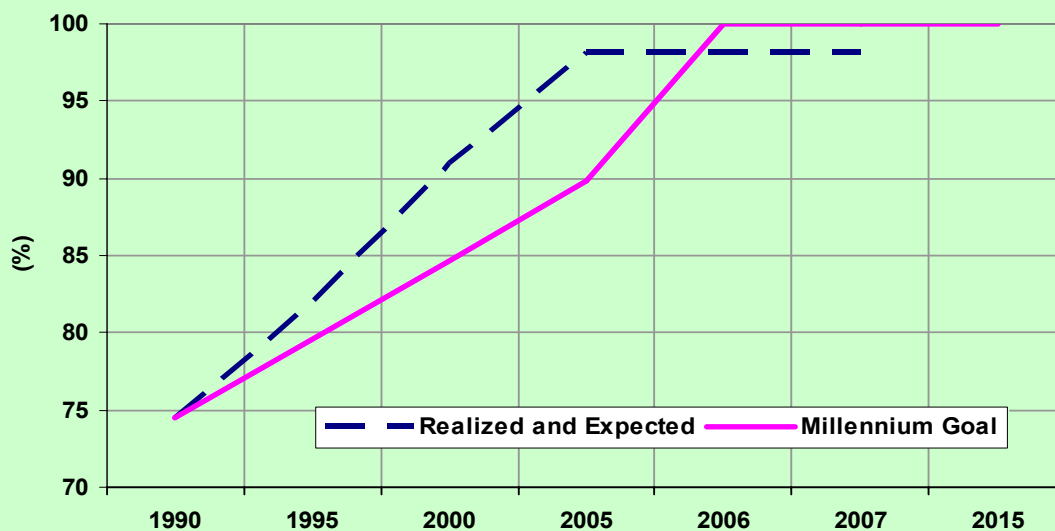
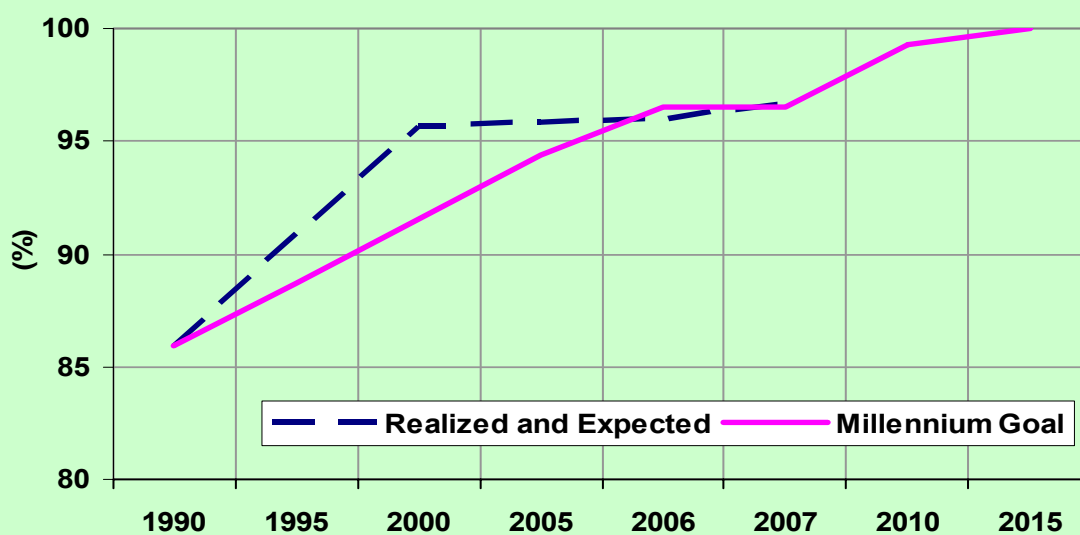


Figure (2.3): Literacy Rate in the Age Group (15-24) years



Box (2.1): Overview of Current Situation**Will the goal have been achieved by 2015?**

<u>✓Expected</u>	Probable	Not possible	No Answer due Insufficient Data
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Supportive environment

<u>✓Good</u>	Moderate	Poor but Improving	Poor
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Box (2.2): Selected Targets from the Eighth Development Plan Relevant to the Goal

- Achieving 100% enrolment in primary schooling.
- Setting up an integrated system of incentives to encourage community-sector participation in public education.
- Studying the possibility of encouraging foreign direct investment in the public education sector.
- Reducing dropout rates to 1% at all education levels.
- Forming a national commission for support of the family.
- Developing and implementing an information plan for social guidance.

Box 2.3: Monitoring and Evaluation Environment

Factor of M & E Environment	Evaluation		
Data collection capabilities	<u>✓Good</u>	Medium	Poor
Quality of survey data	<u>✓Good</u>	Medium	Poor
Statistical follow-up capabilities	<u>✓Good</u>	Medium	Poor
Statistical analysis capabilities	<u>✓Good</u>	Medium	Poor
Ability to incorporate results of analysis into policies and resource planning	<u>✓Good</u>	Medium	Poor
Monitoring and evaluation mechanisms	<u>✓Good</u>	Medium	Poor

GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

TARGET 4:

Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education by 2015.

Target Indicators	1990	1995	2001	2002	2003	2004	2005	2006	2007
• Ratio of girls to boys in primary, secondary and tertiary education	85.1	89.4	94.6	95.4	96.3	95.5	96.0	95.4	96.3
• Ratio of literate women to men, 15–24 year olds	73.7	83.8	94.8	95.8	96.7	91.8	94.9	96.3	97.3
• Share of women in wage employment in the non-agricultural sector	17.9	16.1	14.2	16.5	16.5	15.0	15.9	15.2	15.5
• Proportion of seats held by women in national parliament	–	–	–	–	–	–	–	–	–

CURRENT SITUATION

Remarkable progress has been achieved in the status of women in education, employment, and health³. Despite the relatively late start of education of girls, rates of enrolment of girls at all educational levels have increased sharply. The average annual rate of increase of total female enrolment in all educational stages was 6.3% over the period 1975–2007, compared to about 4.2% for boys. Thus, in 2007, the gap in gender enrolment was closed at the primary, secondary and university levels.

However, a more appropriate measure is the net enrolment rate, which is the ratio of those enrolled at a particular level to the total number of individuals in the corresponding age

³ For details, see Human Development Report, KSA, 2003, Chapter 8, Woman and Human Development.

group. Between 2001 and 2007, the net enrolment rate of boys in the primary level increased from 93.3% to 94.1%, compared to an increase from 90.6% to 92.5% for girls. Similarly, at the intermediate and secondary levels, net enrolment rates for boys for the same years increased from 59.3% to 65.8%, compared to an increase from 59.3% to 64.3% for girls, while at the university level, corresponding increases were from 20.6% to 20.9% for boys and 23.6% to 26.9% for girls. These rates demonstrate success in promoting gender equality in education, and in covering the appropriate age groups by educational institutions. Bridging the gap between boys and girls in enrolment at all educational levels has provided women with the education and skills needed in a modern society and has prepared them to participate in the labour market on a fair, equitable basis.

Moreover, empowering women educationally has been accompanied by progress in enabling them to benefit from available health services, leading to tangible improvement in general health, with declining incidence rates of certain diseases and total eradication of others. As a result, life expectancy increased to 75.5 years for females and 73.1 years for males in 2007.

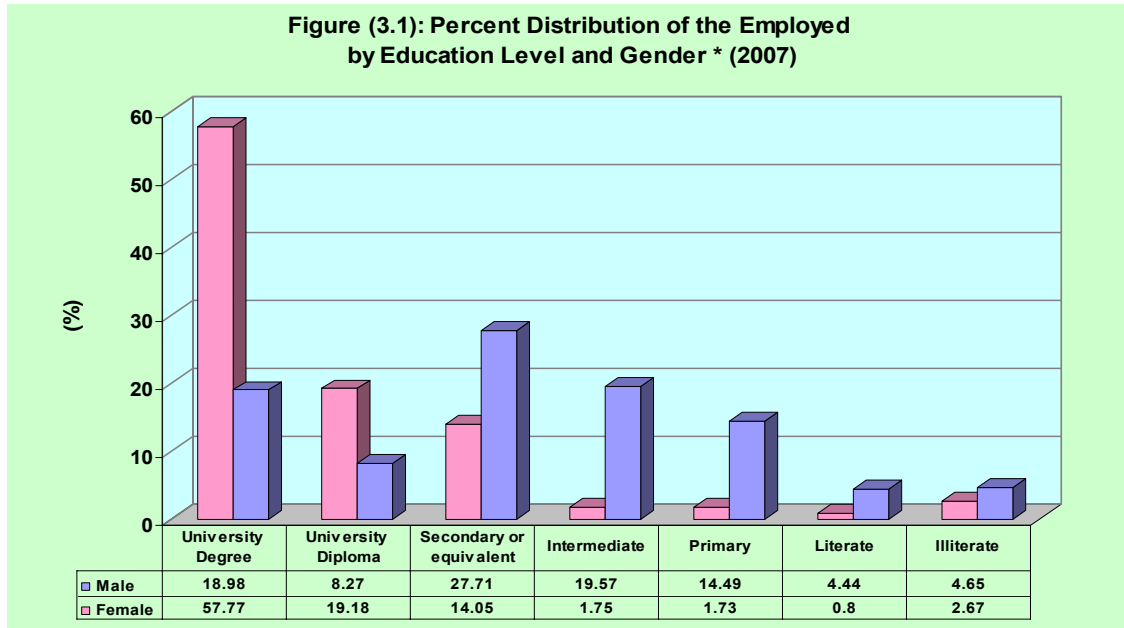
Entry of women into the labour market was slow in the early stages of development. The rate of their participation in the labour market was as low as 5.4% until the end of 1992. However, continued development, particularly in education, had a positive impact. As a consequence, the rate of participation of women in the labour market increased to 14% in 2007. These still low rates are typical of Arab societies, where participation of women is low compared to other parts of the world. Therefore, intensive efforts are required to create diversified job opportunities for women in the Arab Region. It is worth noting in this regard that job opportunities for women are concentrated mainly in the education sector.

Women participation in the labour force is influenced by the level of educational attainment. Most working women hold secondary school certificates or higher. Moreover, most are young (25–34 years) due to the recency of the entry of women entry into labour market.

Marriage does not appear to be a major obstacle. Data for 2007 show that 69.8% of the working Saudi women aged 15 years or more are married, compared to about 75.5% for males.

Saudi women play an important role in investment and business administration in various economic activities. The number of women-owned registered commercial enterprises was on 16/4/2006 over 30.7 thousand. These comprise small and medium-size enterprises, with around 97.2% engaged in wholesale and retail trade, finance and business services, construction and building works, and the rest in industry, mining, petroleum, power generation, water extraction, agriculture, and miscellaneous services.

Figure (3.1): Percent Distribution of the Employed by Education Level and Gender * (2007)



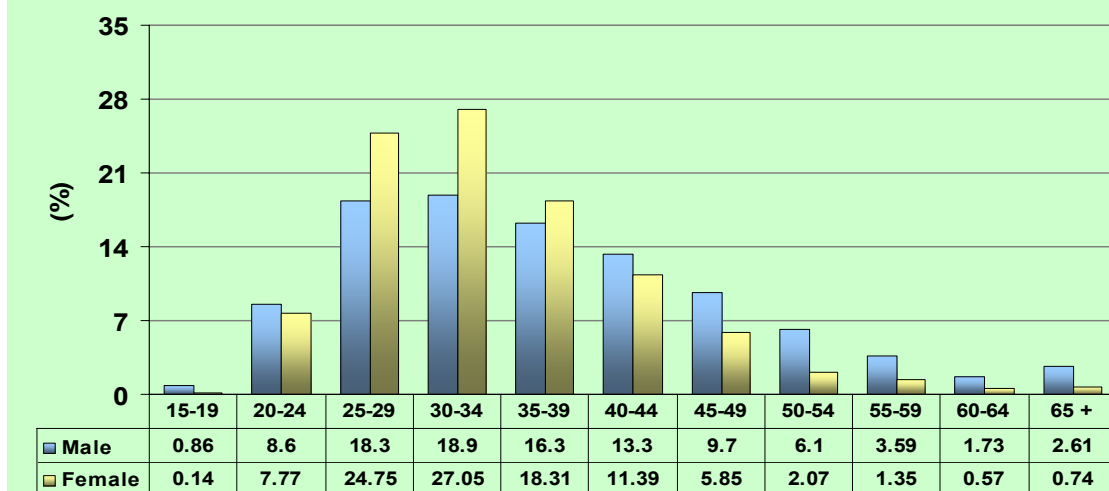
* *male ratios are calculated with respect to total number of males, and female ratios with respect to total number of females.*

Table (3.1): Percentage Distribution of Employed Saudis by Educational Level and Gender (2007)

Educational Level	Male		Female		Total	
	Number	%	Number	%	Number	%
Illiterate	156437	4.65	17839	2.67	174276	4.32
Literate	149434	4.44	5308	0.80	154742	3.84
Primary	487150	14.49	11560	1.73	498710	12.38
Intermediate	658127	19.57	11707	1.75	669834	16.62
Secondary or Equivalent	931944	27.71	93744	14.05	1025688	25.45
Diploma (Post-Secondary)	278258	8.27	127980	19.18	406238	10.08
University	638125	18.98	385479	57.77	1023604	25.40
Postgraduate	63239	1.88	13626	2.04	76865	1.91
Total	3362714	100	667243	100	4029957	100

* *male ratios are calculated with respect to total number of males, and female ratios with respect to total number of females.*

**Figure (3.2): Employed Saudis (15 years and above)
by Age Group and Gender * (2007)**



* *male ratios are calculated with respect to total number of males, and female ratios with respect to total number of females.*

**Table (3.2): Employed Saudis (15 + years old)
by Age Group and Gender * (2007)**

Age Group	Male		Female	
	Number	%	Number	%
15-19	26644	0.86	724	0.14
20-24	263964	8.6	39048	7.77
25-29	563266	18.3	124358	24.75
30-34	583588	18.9	135917	27.05
35-39	502988	16.3	91985	18.31
40-44	409826	13.3	57251	11.39
45-49	300067	9.7	29391	5.85
50-54	187319	6.1	10412	2.07
55-59	110770	3.59	6763	1.35
60-64	53288	1.73	2867	0.57
65 +	80586	2.61	3736	0.74
Total	3082306	100	502452	100

* *male ratios are calculated with respect to total number of males, and female ratios with respect to total number of females.*

Table (3.3): Women-owned Commercially Registered Enterprises by Type of Activity 16/4/2006

Activity	Number	%
Agriculture, Fishery, and Forestry	36	0.1
Industry, Mining, and Petroleum	479	1.7
Power Generation and Water Extraction	32	0.1
Construction and Building, Contracting	5638	18.3
Wholesale and Retail Trade and Commercial Services	10031	32.7
Business Services	14195	46.2
Miscellaneous Services *	291	0.9
Total	30702	100

* *Include transport, storage, cold stores, and social and personal services.*

Source: MOCI.

FUTURE DIRECTIONS

Clearly, the Eighth Development Plan represents a turning point in the efforts to promote improvements in the status of women, enabling them to participate in economic and social development. The Plan adopted a broader reference framework, based on a holistic perspective on promoting advancement of women. The second strategic pillar of the Plan emphasises care for women issues, promotion of their capacities and removal of obstacles to their participation in development activities. Moreover, various chapters of the Plan include objectives and policies that address issues relevant to development of the status of women in various areas, such as education, health, social care and manpower.

Action by the state has not been limited to strategic objectives and policies but has also directly addressed developing implementation mechanisms for expanding and deepening participation of women in economic activity. In an effort to increase and diversify work opportunities for women, the Council of Minister, endorsed in 2004 a package of measures designed to effect a qualitative change in the patterns and scope of women's participation in economic activity.

Box (3.1): Summary of Measures Adopted by the Council of Ministers in 2004 to Enhance the Economic Activity of Women

a) Development of Plans and Mechanisms:

- The Ministry of Labour, in collaboration with the Ministry of Economy and Planning and the Ministry of Civil Service, shall set up an integrated national plan for the Saudi female workforce. The plan shall, within one year from the date of the issue of the resolution, determine the actual demand for female labour in the various fields.
- The Human Resource Development Fund shall pay particular attention to training and employment of Saudi women. This task shall be included in the plans and programs of the Fund.
- The Ministry of Labour and the Ministry of Commerce and Industry, together with the Council of Saudi Chambers of Commerce and Industry, shall conduct a study of the possibility of prolonging maternity leave, as an incentive and an additional privilege, without negatively impacting the desirability of hiring women.

b) Development of Coordination Mechanisms:

- The Council of Saudi Chambers of Commerce and Industry shall form a committee of experienced, qualified women to coordinate with relevant agencies efforts to encourage the private sector to provide work opportunities for Saudi women, without creating a loophole through which employment of foreign women is promoted. Instead, the initiative should provide training to qualify Saudi women for the required jobs. Material and moral support shall be extended to help establish the committee and all government agencies shall contribute to the effort.

c) Promotion of Women's Participation in the Private Sector:

- Government agencies responsible for issuing licences for engaging in economic activities shall facilitate granting such licences to women, in accordance with regulations and legal controls.
- The relevant agencies shall allot and fit land within city boundaries for establishing industrial zones for women.
- The Ministry of Labour shall coordinate with the Ministry of Civil Service and the Ministry of Social Affairs to take the necessary measure for providing women with tele-work opportunities.

d) Promotion of Women's Participation in Government:

- All government agencies that provide services related to women shall establish within one year women-only work units and sections.

CHALLENGES

■ **Female Illiteracy:** In 2007, the Saudi-female illiteracy rate (10 year-olds and above) was 20.2%, compared to 7.3% for males.

Along with various state and private-sector run adult literacy programs, enforcement of mandatory primary schooling is expected to contribute radically to solving this problem.

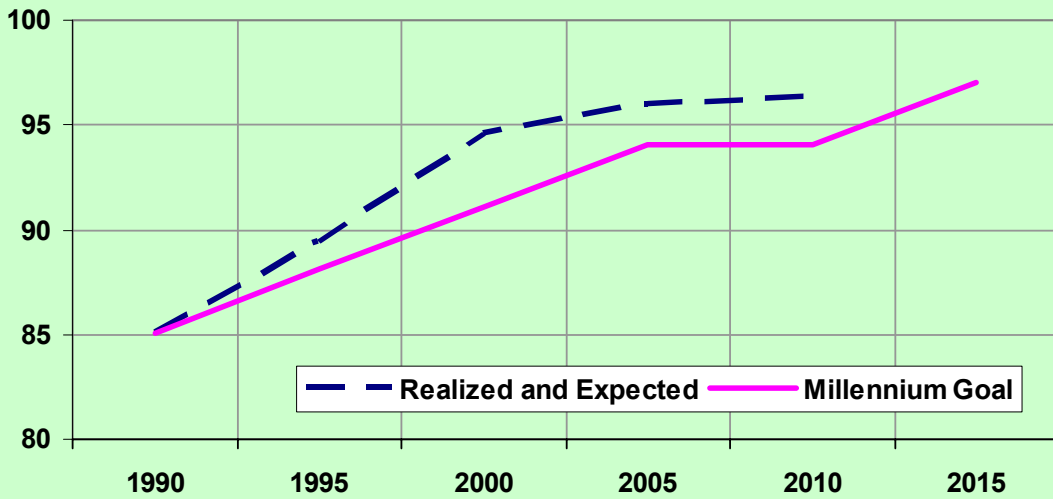
■ **Female Educational Specialisation:** Specialisation starts at secondary school, with choice then often determining future career. In 2007, 60.8% of all female secondary-school graduates had specialised in arts and humanities, which precludes their enrolment in scientific and applied disciplines at university and college, while the labour market for arts and humanities graduates has already become saturated.

In the same year, 2007, 93% of all female university graduates specialised in education and humanities, which indicates the poverty of the match between the labour market needs in a modern economy and the specializations of higher-education female students.

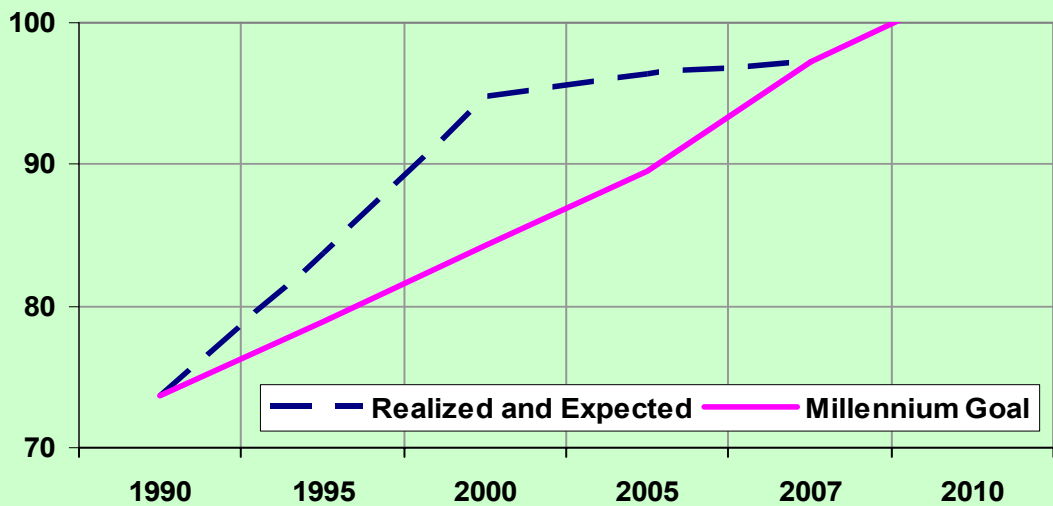
SUPPORTIVE ENVIRONMENT

Socioeconomic development programs reflect full support by the political leadership of the country to the promotion and empowerment of women. Moreover, the adopted comprehensive approach covering education, health, employment and family issues enhances chances of success of the relevant policies and mechanisms. The measures taken by the Council of Ministers in 2004 to enhance women's economic activity (see Box 3.1) should play a crucial part.

**Figure (3.3) Proportion of Girls per 100 Boys
in all Educational Stages**



**Figure (3.4): Proportion of Literate Females per 100
Males in the Age-Group (15-24) Years Old**



Box (3.2): An Overview of the Current Situation**Will the goal be achieved by 2015?**

<u>✓Expected</u>	Probable	Not possible	Insufficient Data
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Supportive environment

<u>✓Good</u>	Moderate	Poor but Improving	Poor
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Box (3.3): Selected Targets and Policies from the Eighth Development Plan Relevant to the Goal

- To attain an enrolment rate of 100% in primary education.
- To increase participation of Saudi women in the national labour force from 10.3% to 14.2% by the end of the Plan.
- To raise participation in the national labour force of tertiary-education (post secondary) female graduates from 82.8% to 88.8% by the end of the Plan.
- To study regulations to determine amendments needed to promote participation of women in economic activity.
- To take specific measures to combat female unemployment.
- To support the role of women in development and enhance this role through educational curricula.

Box (3.4): Monitoring and Evaluation Environment

Factor	Evaluation		
Data collection capabilities	<u>✓Good</u>	Medium	Poor
Quality of survey data	<u>✓Good</u>	Medium	Poor
Statistical follow-up capabilities	<u>✓Good</u>	Medium	Poor
Statistical analysis capabilities	<u>✓Good</u>	Medium	Poor
Ability to incorporate results of analysis into policies and resource planning	<u>✓Good</u>	Medium	Poor
Monitoring and evaluation mechanisms	<u>✓Good</u>	Medium	Poor

GOAL 4: REDUCE CHILD MORTALITY

TARGET 5:

Reduce by two thirds, between 1990 and 2015, the under-five mortality rate.

Target Indicators	1990	1995	2000	2004	1005	2006	2007	2009 *
1. Under-five mortality rate (per thousand)	44.0	34.0	22.6	22.8	22.3	21.7	21.7	12
2. Infant mortality rate (per thousand live births)	34.0	27.0	20.2	19.4	19.0	18.6	18.6	10
3. Proportion of 1 year-old children immunized against measles (%)	88.2	94.4	92.1	96.7	96.5	95.2	95.7	98

* *Expected.*

CURRENT SITUATION

Over the past two decades, health services in the Kingdom achieved remarkable progress. In particular, primary healthcare, which constitutes the basis for a strategy aimed at providing integrated, highly efficient basic health services to all population groups, covered several programs, including: family-health registers, maternal care, comprehensive child healthcare, control of communicable diseases, basic environmental health, in addition to healthcare programs for those afflicted with non-communicable diseases; all conforming to high quality-control standards. The integrated child healthcare program provides continuous follow-up of the growth of children until the age of 5, and involves activities that include control of diarrhoea and malnutrition, and a comprehensive vaccination against communicable diseases program. The latter program has achieved remarkable success, with the proportion of babies vaccinated against measles, rubella and mumps during their first year of life increasing from 88.2% in 1990 to 95.7% in 2007. Likewise, the proportion of children vaccinated against diphtheria, whooping cough and tetanus reached 96.1% in 2007, and the proportion of children vaccinated against polio, tuberculosis and hepatitis B amounting to 96.1%, 95.5% and 96.1% respectively. As a result of child healthcare activities, during the same period, the rate of incidence per 100,000 population slumped from 0.01 in 1993 to zero in 2007 for polio, from 0.27 to 0.14 for whooping cough, from 19.0 to 5.44 for measles, from 24.0 to 0.33 for mumps, from 0.05 to 0.01 for diphtheria, and from 0.30 to 0.11 for tetanus. This, in turn, has led to the decline of the under-five mortality rate to 21.7 deaths per thousand live births in 2007, which amounts to an improvement of 51% over its 1990 level. Similarly, the infant

mortality rate declined to 18.6 cases per thousand live births in 2007; an improvement by 45% over the 1990 level.

These rates indicate that the Kingdom is proceeding confidently towards achieving the above target before 2015.

■ ***Health Services:*** Health services are provided through a wide network of healthcare facilities, including in 2007, 391 hospitals, with a total of 54724 beds. In the same year, the number of doctors rose to 45589, and the number of the nursing staff to 83868. The number of medical centres providing primary healthcare was 1925, in addition to 1057 private-sector dispensaries and 1326 clinics. According to the 2004 population census, there were 2.29 beds, 2 doctors, and 3.54 nurses for each 1000 of the population.

■ ***Organization of Health Services:*** The Ministry of Health is the principal healthcare agency, providing preventive, curative and rehabilitative healthcare. In 2007, its share of hospital beds was 57.4% and of doctors 46.6%. Universities also provide health services through university hospitals, in addition to contributions by the Saudi Red Crescent, King Faisal Specialist Hospital and Research Centre, the healthcare services of the military, security and other government agencies. The share of government agencies (other than the Ministry of Health) was 18.7% of hospital beds and 22.4% of doctors, with the share of the private sector amounting to 23% and 30.9% respectively.

Over recent years, the Kingdom took important steps to promote health services. Notable among these is instituting in 2002 the Kingdom's health system, aimed at providing comprehensive healthcare to all citizens. The Health Services Board and the Cooperative Health Insurance Board were established as part of this system; the latter entrusted with applying the health insurance system to all foreign residents in the first phase and to all citizens subsequently.

In another development related to health and nutritional care, the Saudi Food and Drug Authority was established in 2003, with responsibility for maintaining safety and effectiveness of foodstuffs, and biological and chemical substances, in addition to formulating a clear food-and-drugs policy.

Figure (4.1): Vaccination Against Selected Diseases of Children Below One Year Old

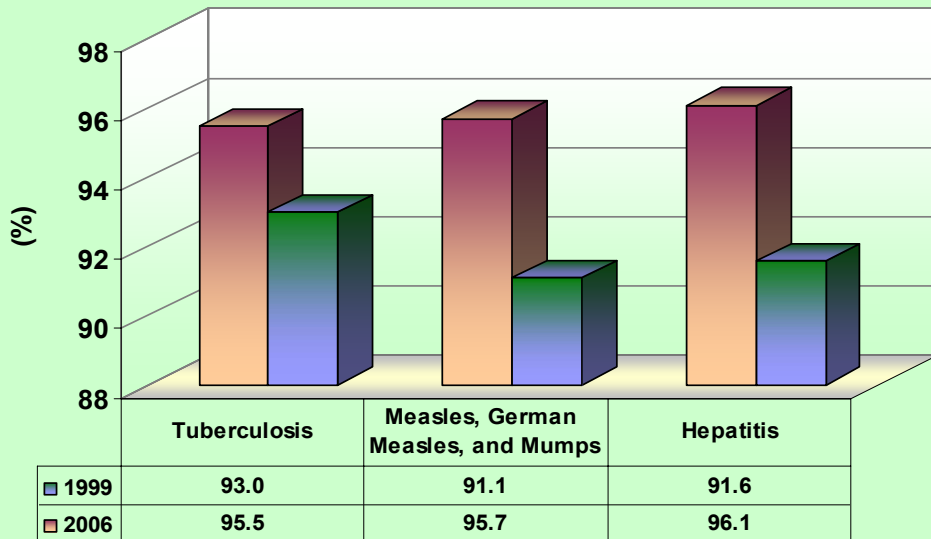
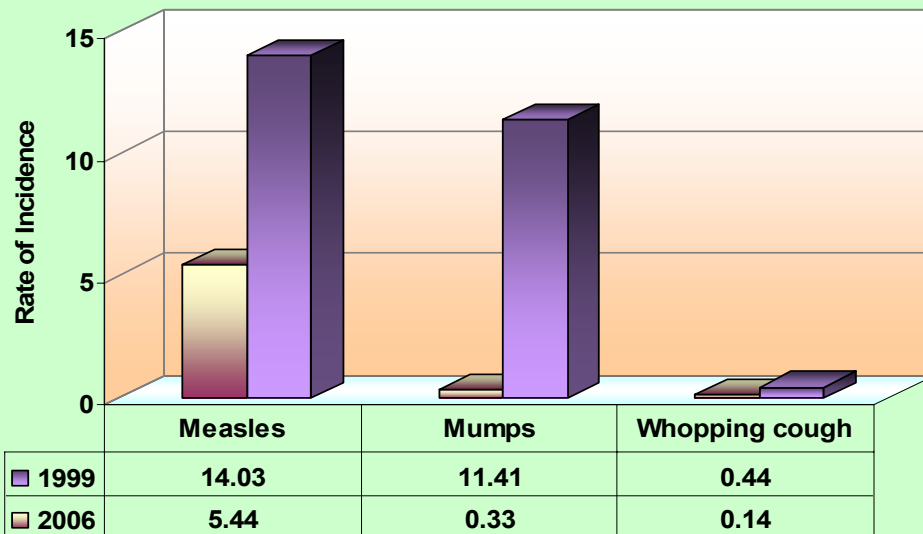


Figure (4.2): Some Communicable Diseases in the Kingdom Rate of Incidence per 100,000



FUTURE DIRECTIONS

Demand for healthcare services is steadily rising due to several factors; most significant among which are the relatively high rate of population growth and society's increasing awareness of the importance of healthcare in general and preventive care in particular. Attention over the coming period will, therefore, be focused on full implementation of the cooperative health insurance system.

Administrative and organizational structures will also be developed to effect decentralization, giving local agencies the authority deemed necessary for efficient operation. Moreover, government health centres will become independent cost centres subject to evaluation and accountability according to appropriate performance measures. As progress in implementing the cooperative health insurance system is achieved, the role of the private sector in providing health services will be enhanced.

CHALLENGES

The vast area of the Kingdom and the wide differences in population density constitute a challenge to efforts aimed at narrowing disparities in the quality and efficiency of health services and ensuring comprehensive coverage. Provision of basic health services entails support to primary health centres, particularly in rural areas, including those providing mother and childcare, health education, and preventive health services. Since rural areas are not as attractive to the private sector as urban centres, it is envisaged that the former will remain dependent to a large extent on governmental health services.

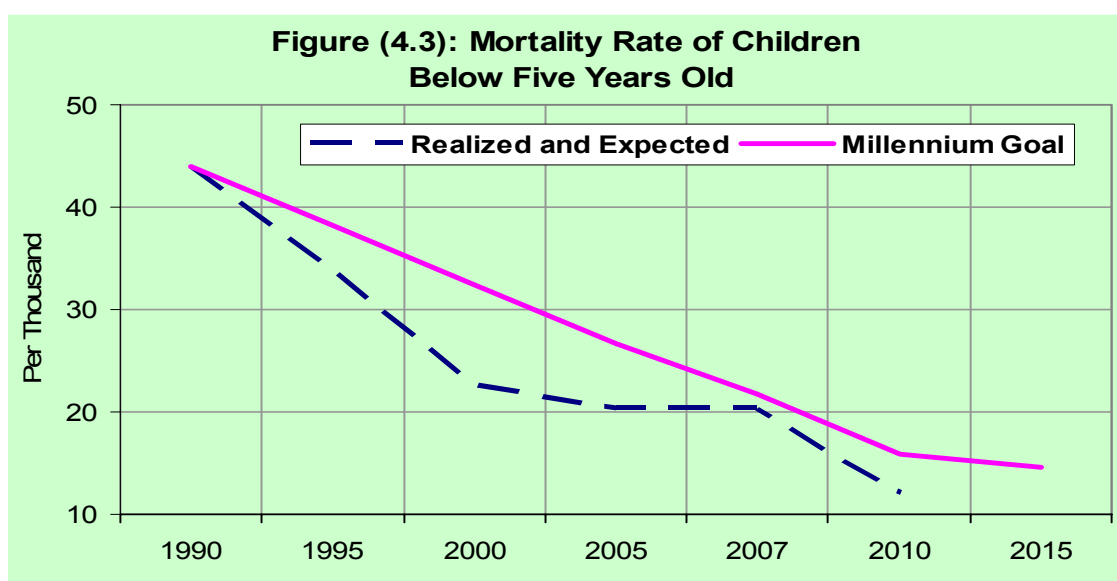


Figure (4.4): Infant Mortality Rate

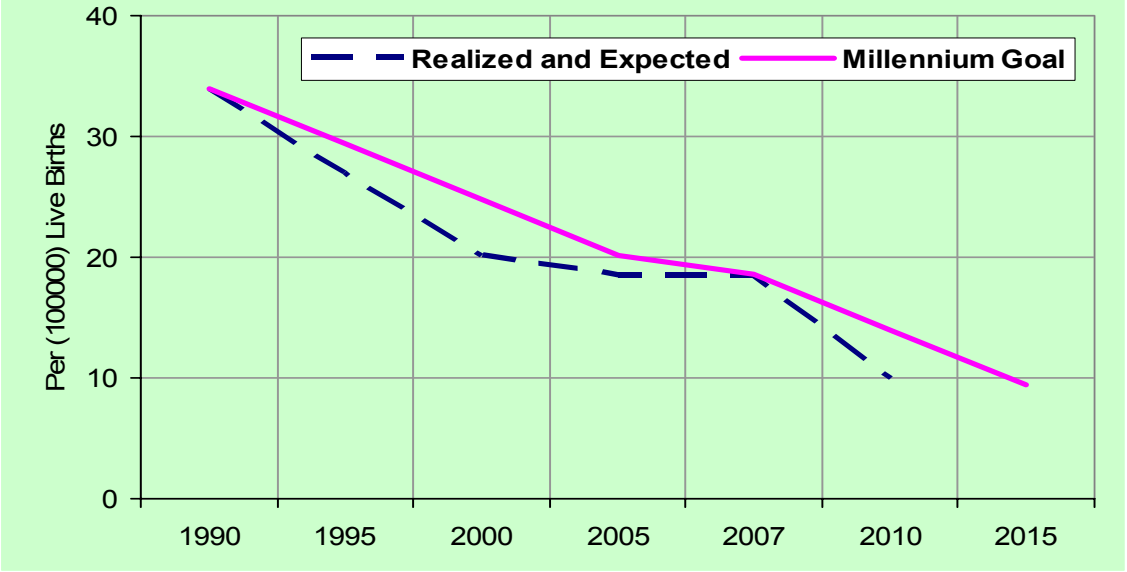
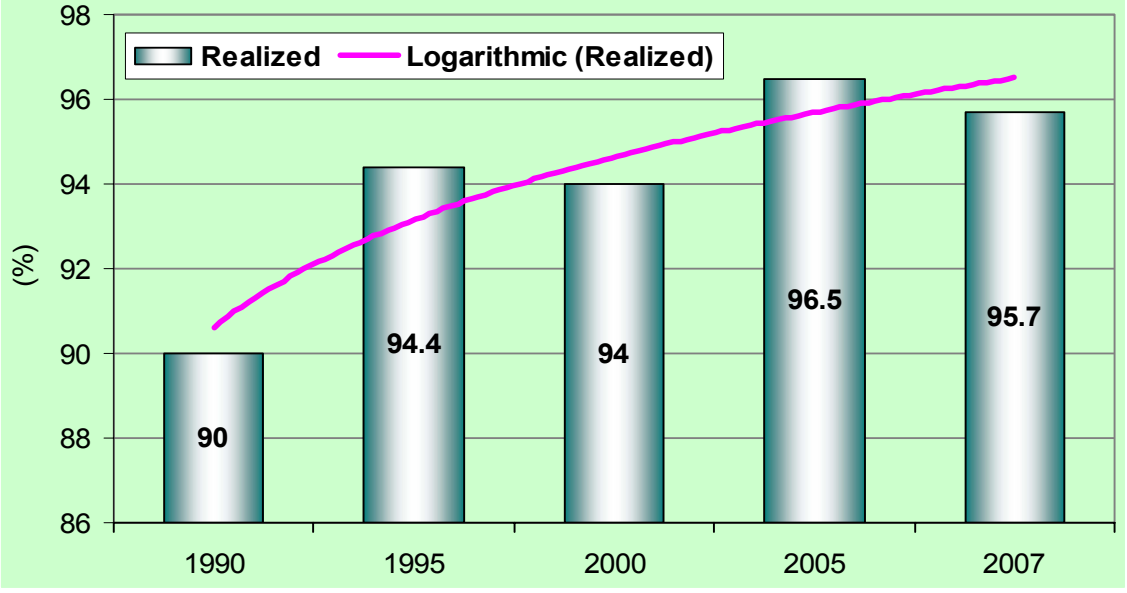


Figure (4.5): Proportion of Children Vaccinated Against Measles



Box (4.1): Overview of Current Situation**Will the goal be achieved by 2015?**

<u>✓Expected</u>	Probable	Not possible	Insufficient Data
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Supportive environment

<u>✓Good</u>	Moderate	Poor but Improving	Poor
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Box (4.2): Selected Targets and Policies from the Eighth Development Plan Relevant to the Goal

- To increase, by the end of 2009, vaccination of children against tuberculosis to 98%, against measles and mumps to 98% and hepatitis B to 98%.
- To reduce, by the end of 2009, the rate of incidence per 100,000 population of tuberculosis to 8, measles to 1.2, hepatitis to 15.
- To reduce infant mortality to 10 per 1000 live births by 2009.
- To form a national commission for family support.

Box (4.3): Monitoring and Evaluation Environment

Factor	Evaluation		
Data collection capabilities	Good	<u>✓Medium</u>	Poor
Quality of survey data	Good	<u>✓Medium</u>	Poor
Statistical follow-up capabilities	Good	<u>✓Medium</u>	Poor
Statistical analysis capabilities	<u>✓Good</u>	Medium	Poor
Ability to incorporate results of analysis into policies and resource planning	<u>✓Good</u>	Medium	Poor
Monitoring and evaluation mechanisms	Good	<u>✓Medium</u>	Poor

GOAL 5: IMPROVE MATERNAL HEALTH

TARGET 6:

Reduce the maternal mortality rate by three quarters between 1990 and 2015.

Target Indicators	1990	1995	2000	2005	2006
Maternal mortality (per 100,000 live births)	48	48	14	14.9	14.6
Births attended by skilled health personnel (%)	88	91.4	91	96	97

CURRENT SITUATION

The comprehensive maternal care program aims at providing integrated healthcare services to women both before and after marriage. Healthcare after marriage covers periods before, during and after pregnancy.

Quantitative and qualitative development of health services over recent years has led to tangible improvement in maternal healthcare indicators. The proportion of pregnant women provided with healthcare by health professionals increased from 90% in 2000 to 97.5% in 2007. Vaccination of mother against neonatal tetanus rose during the same period from 93% to 95.5%. The proportion of births attended by health professionals increased from 88% to 97% during the period from 1990 to 2007. Maternal mortality per 100,000 declined from 48 to 14.6 over the same period.

In the light of what has already been accomplished, the objective of reducing maternal mortality rate has been achieved ahead of the targeted year. This is attributed to the healthcare programs currently under implementation. Continuous progress in reducing maternal mortality has been the result of envisaged comprehensive provision of basic of health services, including maternal care, health education and other preventive health services, particularly in rural areas.

Figure (5.1): Maternal Mortality Rate

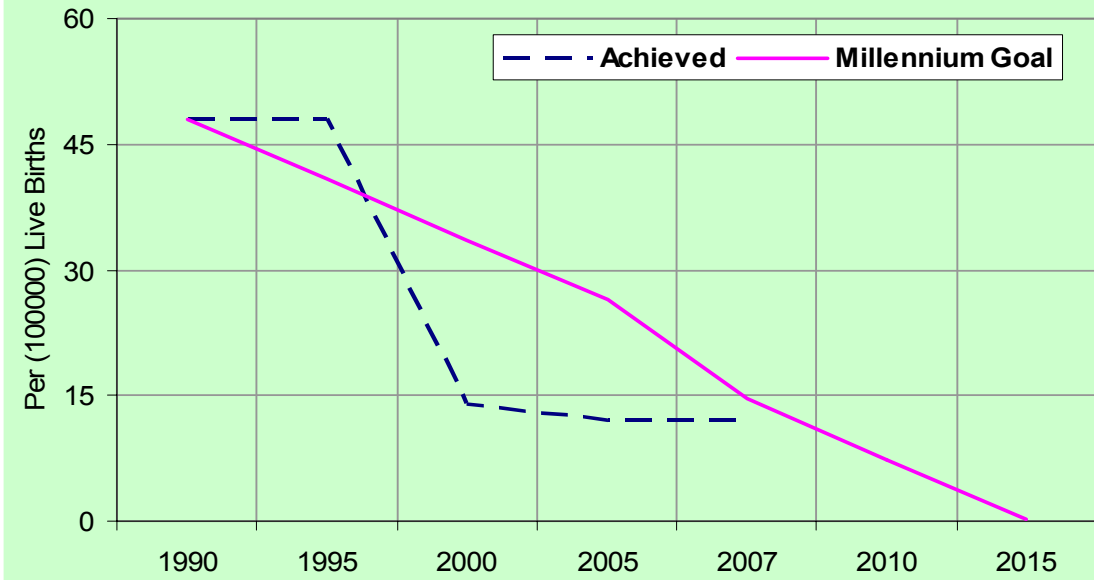
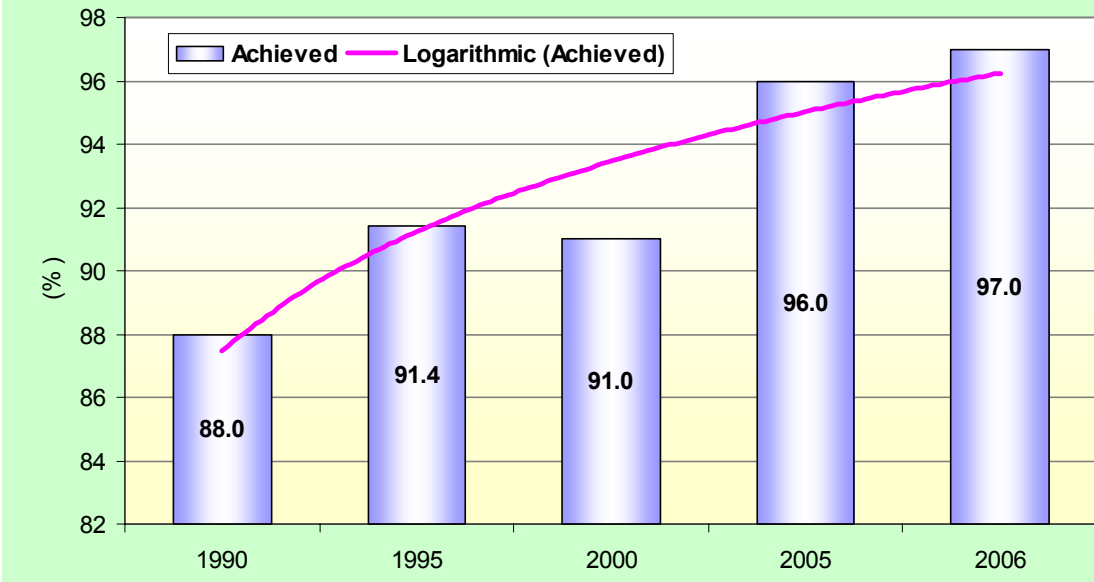


Figure (5.2): Proportion of Births Attended by Skilled Health Personnel



FUTURE DIRECTIONS

It is envisaged that healthcare programs will continue to be enhanced, in order to provide efficient prenatal, natal and postnatal healthcare, ensuring full health coverage for pregnant women, and that all births are attended by skilled health professionals, in addition to enhancing programs of immunizing pregnant women against tetanus, and health awareness and education programs.

CHALLENGES

Continuing high population growth rates and the consequent increase in demand for basic healthcare services, including maternal and childcare, make continued expansion of facilities and programs to provide access to these services by all population groups an imperative necessity.

Box (5.1): Overview of Current Situation

Will the goal be achieved by 2015?

✓Expected Probable Not possible Insufficient Data

Supportive environment

✓Good Moderate Poor but
Improving Poor

Box (5.2): Selected Targets and Policies from the Eighth Development Plan Relevant to the Goal

- To increase the ratio of births attended by skilled health professionals to 97% by 2009.
- To increase the ratio of pregnant women receiving healthcare by skilled health professionals to 98%.
- To add 1550 primary healthcare centres; 300 new and the rest established to replace leased premises.

Box (5.3): Monitoring and Evaluation Environment

Factor	Evaluation		
Data collection capabilities	<u>✓Good</u>	Medium	Poor
Quality of survey data	Good	<u>✓Medium</u>	Poor
Statistical follow-up capabilities	Good	<u>✓Medium</u>	Poor
Statistical analysis capabilities	<u>✓Good</u>	Medium	Poor
Ability to incorporate results of analysis into policies and resource planning	<u>✓Good</u>	Medium	Poor
Monitoring and evaluation mechanisms	Good	<u>✓Medium</u>	Poor

GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

TARGET 7:

Have halted, by 2015, and begun to reverse the spread of HIV/AIDS.

Goal Indicators	2004	2005	2006	2007
No. of HIV cases (cumulative)	8919	10120	11510	12652
HIV prevalence among pregnant women aged 15–24 years	zero	zero	zero	zero

TARGET 8:

Have halted, by 2015, and begun to reverse the incidence of malaria and other major diseases.

Goal Indicators	1990	1995	2000	2003	2004	2005	2006	2007
Prevalence of malaria and associated death rates (per 100,000 of population) :								
• Incidence	125	106	35	7.7	5	4.7	4.45	3.7
• Deaths	zero	zero	zero	zero	zero	zero	zero	zero
Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures (%)	90	–	–	–	–	94	94.5	95
Prevalence of tuberculosis and associated death rates (per 100,000 population):								
• Incidence	18.6	11.5	11.82	9.6	10.1	10.3	10.9	10.6
• Deaths	–	–	–	–	–	–	–	–
Proportion of tuberculosis cases detected and cured under DOTS (%)	–	–	–	72.3	85	72.3	72.5	n.a.

CURRENT SITUATION

■ **Combating HIV/AIDS:** Despite the large number of expatriates in the country, efforts made to combat HIV/AIDS have succeeded in controlling it and halting its spread. By the end of 2007, the cumulative number of reported cases reached 12652, of which 3033 were citizens and 9619 expatriates. In 2007, 1142 HIV cases were reported, of which 767 were expatriates and 375 citizens. Within the latter category, 5% were below 15 years old, 78% in the 15–49 years age group, and 17% in the above 49 years old age group.

Seeking to control the spread of HIV/AIDS, the government diligently applies preventive measures. The national program for combating HIV/AIDS comprises the following:

- Health education and awareness, through varied information programs designed to disseminate information about the disease, how it spreads, and how it can be prevented.
- A preventive control system that includes regularly surveying groups at risk, ensuring safety of transfused blood and performing medical tests on expatriate workers, to ensure that they are not carriers, before issuing residency and work permits.
- A national record of reported cases, with the aim of providing follow up and taking appropriate preventive and curative measures.
- Several awareness and education activities are conducted, through print and electronic media, to combat causes of the disease.
- Lectures are given and symposia are held in all regions of the Kingdom, as part of the activities to mark World Aids Day.

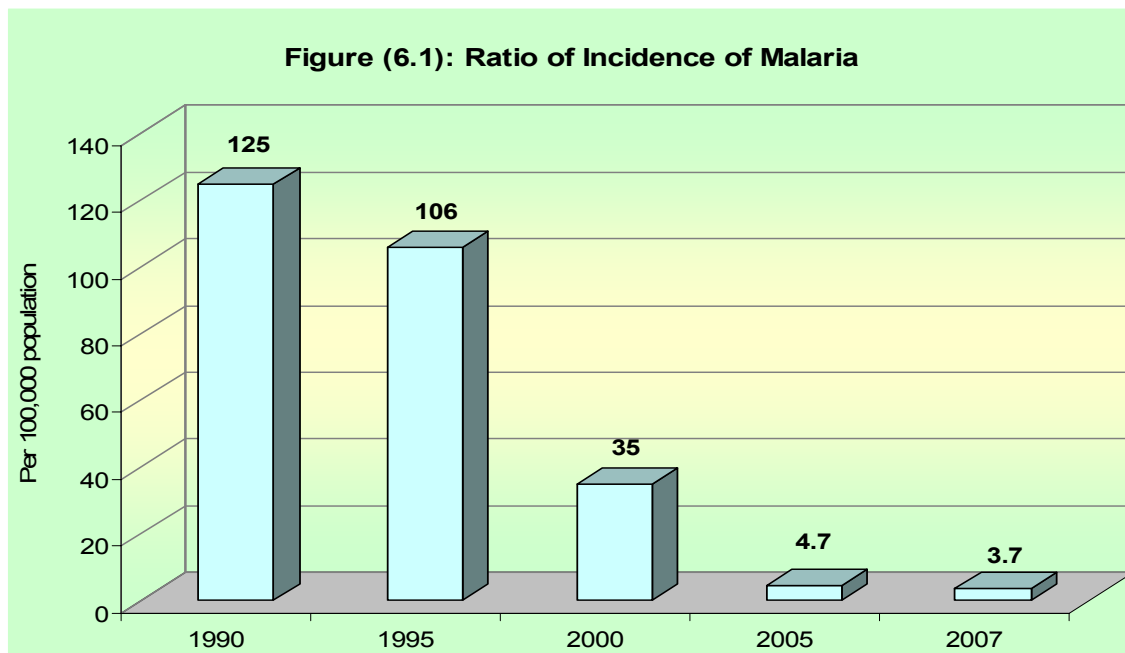
There are three specialized centres for the treatment of AIDS in Riyadh, Jeddah and Dammam.

■ **Control of Malaria:** Incidence of malaria decreased substantially from 125 cases per 100,000 of population in 1990 to 3.7 in 2007. The Kingdom is expected to be free of malaria by 2010.

The Kingdom's Malaria Control Strategy is based on the following basic pillars:

- Prompt diagnosis and early treatment of cases that display symptoms of malaria, as well as effective preventive measures to halt spread of the disease.

- Continuous and comprehensive control of malaria-carrying mosquitoes, through spraying houses and lands, and drying out wetlands and swamps where mosquitoes breed.
- Launching awareness campaigns to ensure community participation in control and prevention measures.
- Establishing an efficient monitoring network, particularly in susceptible areas.



■ **Tuberculosis Control:** The Kingdom is currently implementing a national tuberculosis control program aimed at eradicating the disease through the adoption of the internationally recommended TB control strategy, DOTS. Implementation of DOTS commenced in 1998 and was extended to all regions in 2000.

The target of the control program is to decrease incidence to one case per 100,000 population. It has already achieved remarkable success, with incidence falling from 11.82 cases per 100,000 population in 2000 to about 10.6 in 2007 and the rate of cases detected and cured, in line with DOTS, reaching 100% in 2006.

Figure (6.2): Ratio of incidence of Tuberculosis

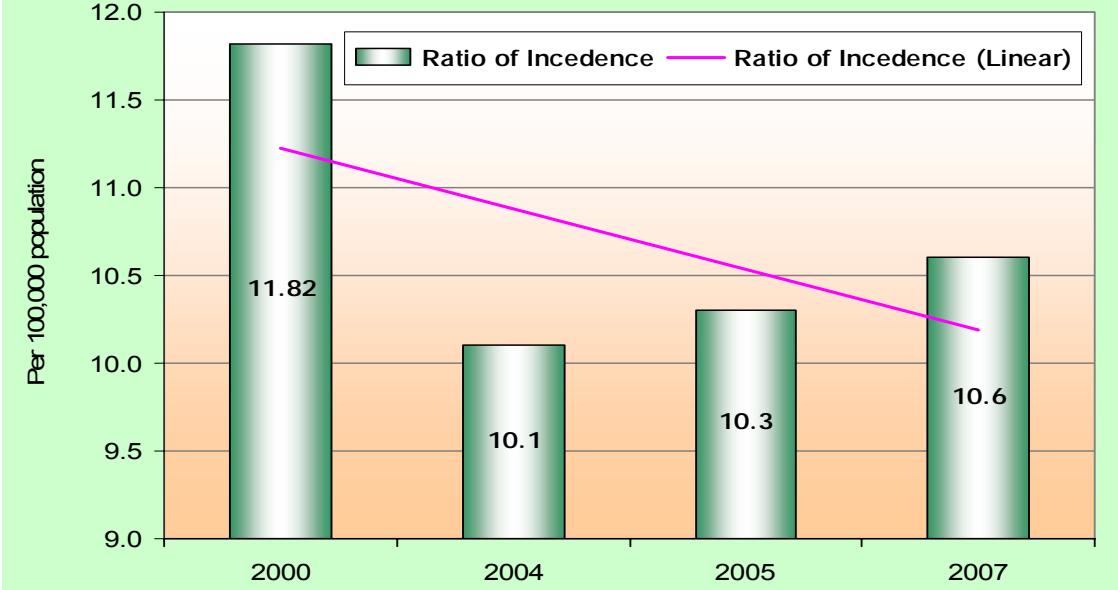
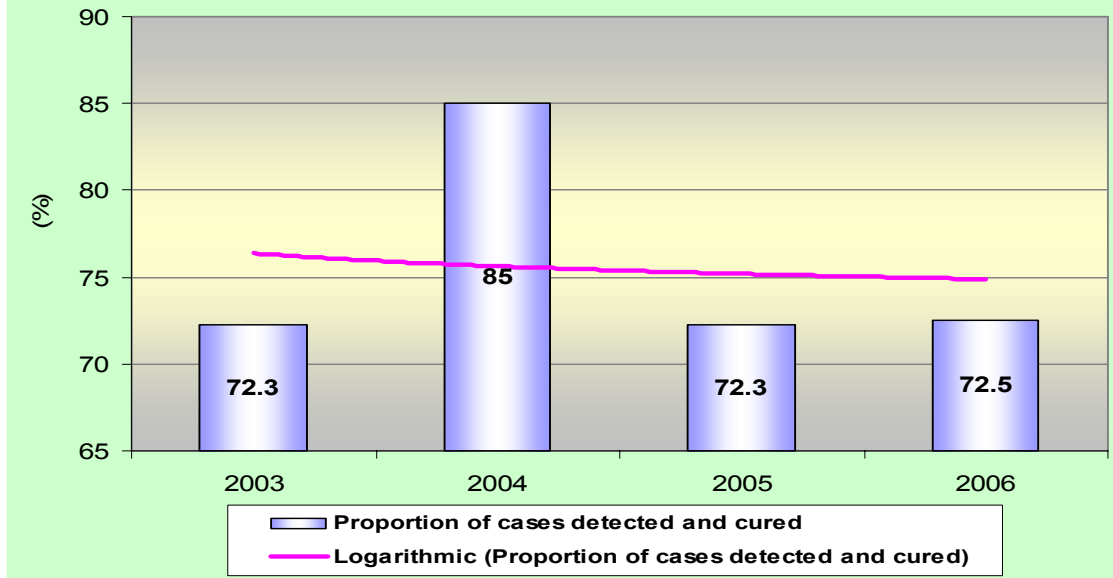


Figure (6.3): Proportion of Tuberculosis Cases Detected and Cured



FUTURE DIRECTIONS

The fight against communicable diseases will continue unabated, using both curative and preventive means. The Eighth Development Plan aims at linking widespread health centres to public hospitals, in order to enhance the technical capabilities of the centres and improve early detection and effective cure.

Moreover, work is under way to develop a comprehensive information network linking all health facilities and centres as well as related public and private agencies to improve the health database in general and the communicable diseases database in particular.

CHALLENGES

In addition to the substantial number of foreign workers it hosts, the Kingdom receives more than one and a half million Hajj performers during the Hajj season, and about three and a half million Omrah performers. Social and religious values, as well as some other factors reviewed earlier, limit the spread of HIV/AIDS. Yet, spread of other communicable diseases remains possible, which calls for constant vigilance and persistent preparedness.

Box (6.1): Overview of Current Situation			
Will the goal have been achieved by 2015?			
<u>✓Expected</u>	Probable	Not possible	Insufficient Data
Supportive environment			
<u>✓Good</u>	Moderate	Poor but Improving	Poor

Box (6.2): Monitoring and Evaluation Environment

Factor	Evaluation		
Data collection capacities	<u>✓Good</u>	Medium	Poor
Quality of survey data	<u>✓Good</u>	Medium	Poor
Statistical follow-up capacities	<u>✓Good</u>	Medium	Poor
Statistical analysis capacities	<u>✓Good</u>	Medium	Poor
Ability to incorporate the results of analysis into the policies and resource planning	<u>✓Good</u>	Medium	Poor
Monitoring and evaluation mechanisms	<u>✓Good</u>	Medium	Poor

GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

TARGET 9:

Integrate principles of sustainable development into country policies and programmes and reverse loss of environmental resources

Goal Indicators	1990	1995	2000	2005	2006	2007
Proportion of land area covered by forests (%)	1.35	1.35	1.35	1.3	1.3	1.3
Ratio of area protected to maintain biological diversity to surface area (%)	3.3	3.9	3.7	4.23	4.23	4.23
Energy use (kg oil equivalent) per \$1 GDP (PPP)	2.3	2.4	2.5	2.6	–	–
Carbon dioxide emission per capita and consumption of ozone-depleting CFCs (ODP ton)	–	–	–	–	–	–
Proportion of population using solid fuels	–	–	–	–	–	–

TARGET 10:

Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation.

Goal Indicators	1990	1995	2004	2005	2006	2007
Proportion of population, urban and rural, with sustainable access to safe drinking water, through water a distribution system and water tanker services (%)	94.2	94.7	95.0	95.0	95.0	96.0
Proportion of population with access to adequate sanitation, through wastewater systems and septic tanks (%)	90.6	93.6	100.0	100.0	100.0	100.0

TARGET 11:

Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers (poor, crowded neighbourhoods).

Goal Indicators	1990	1995	2000	2004	2006
Proportion of households with access to secure tenure *	88	90	92	96	–

* *‘Households with secure tenure’ refers to families who already own, or are in the process of buying, a house; or who privately lease a house; or who live in social housing or lease the same from a third party.*

CURRENT SITUATION

Protection of the environment and promotion of relevant regulations to enforce this along with systems within the context of sustainable development is one of the principal objectives of economic and social development in the Kingdom. The Eighth Development Plan (2005–2009) emphasised protection of the environment from pollution, and conservation and development of wildlife, as well as conservation and rational utilization of natural resources.

■ **Natural Environment:** Over the past few years, the environment sector witnessed several important developments, foremost among which was endorsement of the general environment code and associated regulations. The Kingdom has endorsed the “21st Century Agenda” and joined the UN Framework Convention on Climatic Change by endorsing the Kyoto Protocol at the beginning of 2005. It had already joined the UN Convention on Biological Diversity and the UN Convention on Desertification Control, and followed up implementation of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, as well as the Vienna Ozone Convention and the Montreal Ozone Protocol.

The Kingdom has adopted a National Health and Environment Strategy, a National Environment Strategy, a National Strategy and Action Programs on Desertification Control, a National Biological Diversity Strategy, a National Forests Strategy, and a National Plan for Management of Coastal Zones. Also, in the context of the conservation and rational utilization of water resources, the Waste Water Reclamation and Reuse

Regulation was adopted and studies are also being updated to complete the preparation for a National Water Plan.

Over the past five years, two of the largest protected zones, Harrah Alharrah in the Al Jouf region and Al-Khunfa in Tabouk region, have been demarcated. Establishment of a new protected zone in Jabal Shada in Al Baha region was also announced. This brings the total number of protected zones to 16, with a total area of 84 thousand square Kilometres, or 4.1% of the Kingdom's area.

The Kingdom also exerts tremendous efforts aimed at conserving forests and enforces the relevant regulations to achieve this. The country also seeks to reverse deforestation through implementation of reforestation projects, stabilization of sand dunes through plantation, and establishment of national parks. Work is currently under way on a project for demarcation of forests in the Southern Region of the country by the Space Research Institute-KACST, using remote sensing technology

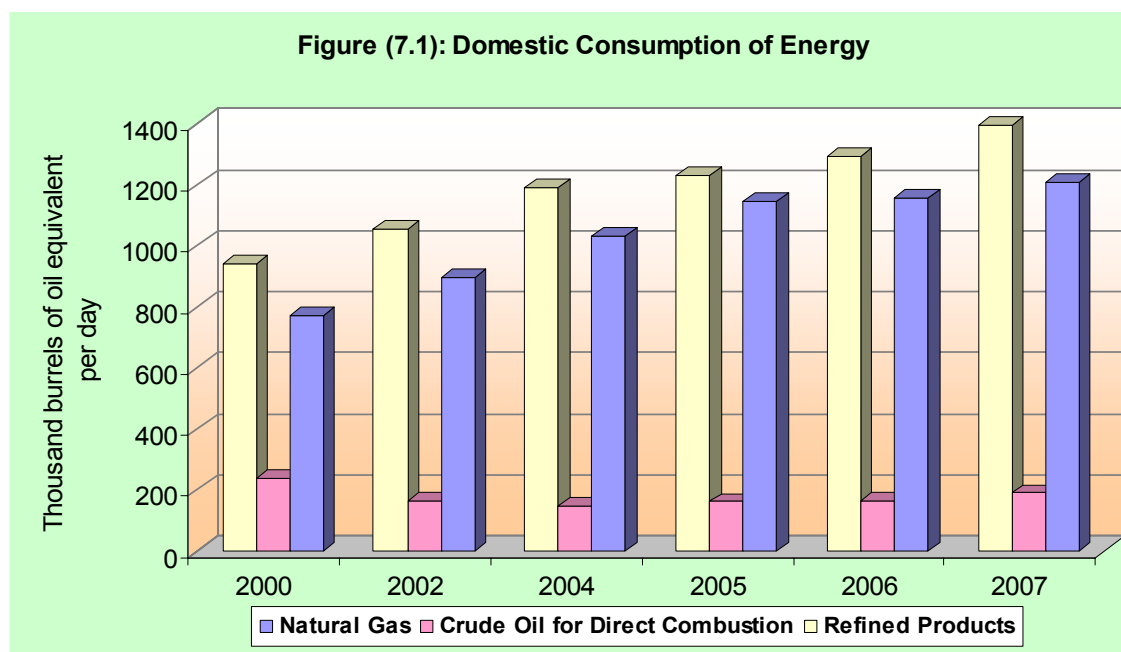
■ ***Energy Utilization:*** Energy is consumed in the Kingdom in the form of crude oil, petroleum derivatives and natural gas. Since domestic prices are stable, consumption rates are determined by economic growth. Over the 2002–2007 period, the average annual rate of growth of consumption was 5.7%, with total energy consumption increasing from about 2116.3 thousand barrels to 2790.9 thousand barrels of oil equivalent per day. Average annual growth rates of the three main categories of energy consumption were: 5.8% for refined products, 2.7% for crude oil for direct combustion, and 6.1% for natural gas.

Available data on levels of carbon dioxide pollution indicate that in most Saudi cities and regions they are still within the permissible limits, i.e., less than 0.007 parts per million. The level of concentration of sulphur in petroleum products, including furnace fuel, is the main source of emissions of this gas. The Eighth Development Plan gave addresses this issue.

Table (7.1): Domestic Consumption of Primary Energy
(Million Barrels of Oil Equivalent per Day)

Item	Consumption						Average Annual Growth Rate (%) 2000–2007	Share of Total (%)	
	2000	2002	2004	2005	2006	2007		2002	2007
A. Total liquid oils:	1.179	1.220	1.336	1.389	1.461	1.586	5.2	57.7	56.8
• Crude oil for direct combustion	0.240	0.166	0.146	0.162	0.167	0.190	2.7	7.9	6.8
• Refined products	0.939	1.054	1.190	1.227	1.294	1.396	5.8	49.8	50.0
B. Natural Gas (fuel)	0.771	0.896	1.031	1.142	1.159	1.205	6.1	42.3	43.2
Total energy	1.950	2.116	2.367	2.531	2.620	2.791	5.7	100	100

Source: Ministry of Petroleum and Mineral Resources.



■ **Quality of Life:** The proportion of population with sustainable access to safe drinking water stood about 96% in 2007, while the proportion of population with access to sanitation reached 100%. Per capita water consumption is estimated at about 230 litres per day, which is relatively high by international standards ranging between 150 and 200 litres per day. Consumption of water is influenced by many factors; mainly population growth, climate, and standards of living.

Since 2001, unleaded gasoline has been used in the Kingdom, which contributed to improving of public health in cities and villages by reducing lead-particles emissions, which have adverse health effects.

In 2007, the number of housing units reached about 4.21 million, 75% of which were financed by the private sector, while the government financed the remainder, through REDF loans (17%), and direct construction as part the public housing program and building housing units of the security, education and health services (8%). Furthermore, the government undertook the development of infrastructure and public facilities in all residential quarters, and granted residential land plots to the citizens, particularly those with low and medium income. Data of the 2004 population and houses census show that the proportion of households with access to secure tenure is about 96%. In UN terminology, this term refers to families that own or rent their housing, or live in social housing or employer-provided housing with access to safe drinking water and sanitation facilities.

FUTURE DIRECTIONS

The National Environmental Strategy is based on commitment to sustainable development, as well as to aligning all economic and social activities with conservation of natural resources and rational use of non-renewable resources; particularly water. Consumption of water for all purposes will be confined to renewable sources. Intensive efforts will also be made to control desertification, develop crops suitable for arid lands, and develop economically feasible renewable sources of water for agriculture and forestry. In addition, efforts to control the emission of industrial pollutants and vehicles emissions and develop appropriate technological solutions for the elimination of greenhouse gases will continue.

The Kingdom has started implementing an ambitious program aimed at reducing the proportion of sulphur in gasoline and diesel to 10 particle per million by 2013.

A study aimed at constructing a dual domestic water-sanitation network for drinking water and grey water to be used for sanitary and other purposes will be conducted. The Eighth Development Plan envisages increasing the coverage of the sanitation network, as well as increasing the rate of treatment and re-use of reclaimed waste water to 40%, and

decreasing water network losses from about 29% at present to about 20% by the end of the period covered by the plan.

A comprehensive housing strategy is being formulated. Housing needs of all social groups will be identified accurately, as well as the mechanisms required to support the needy. Policies and mechanisms to enhance private sector participation in housing, to diversify and increase the efficiency of funding channels, and to promote involvement of local and regional authorities in all housing activities will be put in place. The Eighth Development Plan envisages constructing one million housing units to meet the needs resulting from population growth and replace inadequate housing. Joint efforts by the public and private sectors, as well as by charity institutions, are being exerted. The state allocated SR10,000 million for public housing, with priority given to the most deserving regions. Furthermore, the capital of REDF will be increased by about SR18000 million.

CHALLENGES

National strategies, already in place and those in preparation, provide a clear vision and specific targets for ensuring environmental sustainability. However, sectoral, spatial and time factors require additional administrative and technical capacities, as well as coordination among various government and private agencies.

Extensive efforts are being made to implement the envisaged expansion and improvement of the quality of water, sanitation and housing services, in both rural and urban areas, while controlling random expansion. The success of these efforts would enhance balanced regional development, as well as development of rural areas.

Notwithstanding the high level of support given by the government to the housing sector and related services and facilities, a number of challenges and constraints may arise due to the increasing demand for housing; foremost among which are:

- Decrease in the area available for residential housing within the urban boundaries, particularly in major cities.
- Decrease of the supply of affordable housing for low-and-medium-income groups.
- Decrease in the number of housing units provided by government agencies.
- Mismatch between the finance provided by government institutions and the banking sector, and the large, increasing demand for housing loans.
- The large number of housing units that need to be replaced.

Figure (7.2): Percent of Area Protected to Maintain Biological Diversity

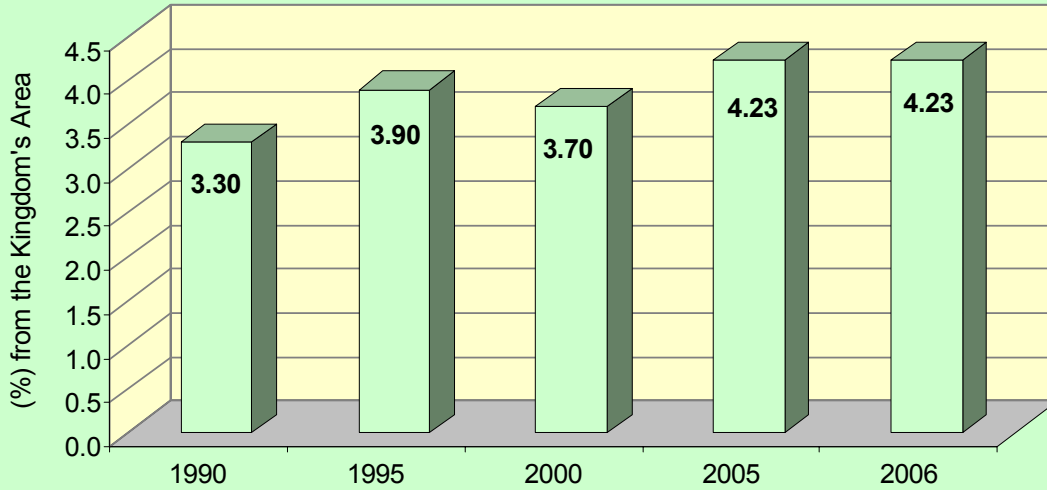
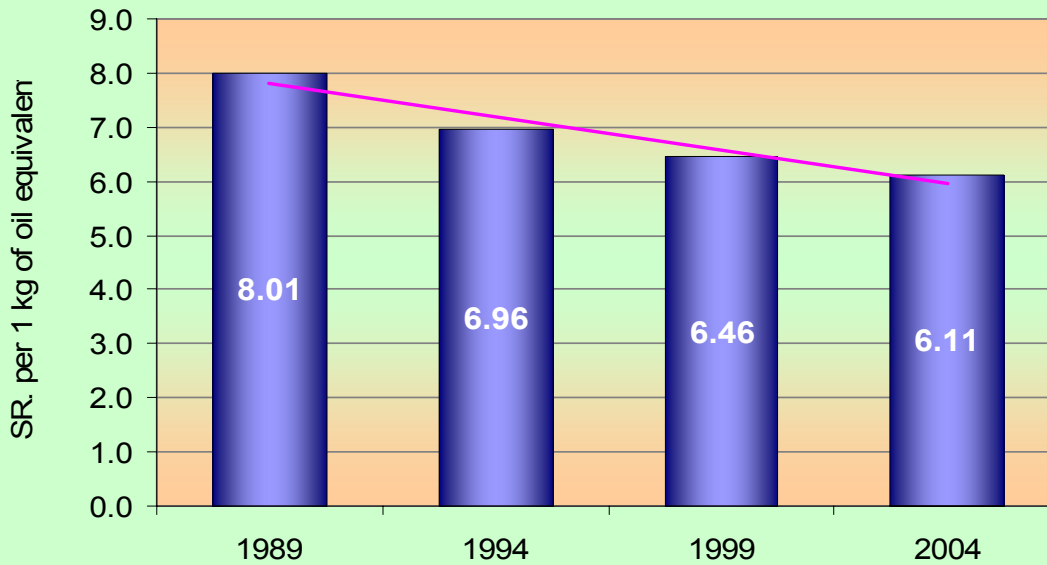


Figure (7.3): Energy use



Box (7.1): Overview of Current Situation**Will the goal have been achieved by 2015?**

✓Expected Probable Not possible Insufficient Data

Supportive environment

✓Good Moderate Poor but
Improving Poor

Box (7.2): Selected Targets and Policies from the Eighth Development Plan Relevant to the Goal

- To enforce preparation of an “Environmental Impact Study” as a precondition for granting licenses to factories and other facilities.
- To encourage formation of community organisations for environmental protection.
- To include “environmental awareness” in the curricula of all education levels.
- To construct 350,000 residential water supply connections and 600,000 wastewater network connections.
- To issue a National Water Plan.
- To increase allocations for desalination technology R&D to 4% of total allocations for desalination.
- To provide adequate housing to low-and-limited-income groups.
- To diversify governmental and non-governmental housing finance.

Box (7.3): Monitoring and Evaluation Environment

Factor	Evaluation		
Data collection capacities	<u>✓Good</u>	Medium	Poor
Quality of survey data	<u>✓Good</u>	Medium	Poor
Statistical follow-up capacities	<u>✓Good</u>	Medium	Poor
Statistical analysis capacities	<u>✓Good</u>	Medium	Poor
Ability to incorporate the results of analysis into the policies and resource planning	Good	<u>✓Medium</u>	Poor
Monitoring and evaluation mechanisms	Good	<u>✓Medium</u>	Poor

GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

INTRODUCTION

The Kingdom of Saudi Arabia is a major partner in international development. Foreign aid is an intrinsic element of the country's foreign policy and the country is a major donor, with aid provided by it to the developing countries estimated to have totalled more than \$90 billion over 1973–2007.

The ratio of foreign aid to GDP was estimated at 6% in some past years and has averaged about 4% of annual GNP. Thus the aid provided by the Kingdom to support development in the developing countries exceeds the 0.7% of GNP ratio proposed by the UN. More than 87 developing countries in Asia, Africa and other regions have benefited. The Kingdom provides aid through different channels, mainly the Saudi Fund for Development, which acts as the official channel for economic and social development aid. In addition, the Kingdom contributes to multilateral international development funds such as the World Bank, the Arab Fund for Economic and Social Development, the Islamic Development Bank, and the OPEC Fund for International Development.

Foreign aid offered by the Kingdom has various forms, including soft loans, grants, relief aid, and debt cancellation. More than \$6 billion of poor-country debt have been cancelled.

FOREIGN AID CHANNELS

The Kingdom provides aid to developing countries through various channels:

■ ***Saudi Fund for Development:*** The Fund, which was established in 1974 to participate in financing development projects through granting loans to developing countries, and promotion of national exports through finance and export guarantees, is a legal entity with an autonomous financial status. The Fund commenced its activity with a capital of S.R 10 billion (\$2.7 billion), which has since been increased thrice to reach S.R. 31 billion (\$8.3 billion). The Fund provides soft loans, irrespective of geographical location, and concentrates on financing priority development projects, particularly in poorer countries.

■ ***Regional and International Development Institutions:*** The Kingdom contributes to a large number of Arab, regional and international development institutions (see Table 8.1). It is a founding member of the World Bank and the IMF, enjoys voting power in both institutions, and is represented by an executive director in each. It is also a member of the Multilateral Investment Guarantee Agency (MIGA), itself a member of the World Bank Group. MIGA is entrusted with channelling foreign direct investment to developing countries through offering risk guarantees to investors and lenders and providing technical assistance to enable such countries to attract and retain foreign investment.

Saudi Arabia is the largest contributor to the capital of the Islamic Bank for Development (24.57%). Cumulative financing operations approved during 1976–2007 amounted to about \$45.87 billion, of which more than \$18.1 billion were for financing projects in a number of developing countries. The Kingdom is also a major contributor to the OPEC Fund for International Development, which was established in 1976 by member countries as a development finance institution. The Fund gives priority to helping poor countries pursue economic and social development. Up to the end of 2006, the Fund provided 1113 loans, with a value of \$6726.7 million, to 101 countries, including 47 in Africa, 30 in Asia, 22 in Latin America and the Caribbean, and 2 in Europe.

It is also noteworthy that the Kingdom's private sector took the initiative in founding the Arab Gulf Program, which supports the UN development organizations and provides technical assistance to several developing countries.

■ ***Sectoral Government Agencies:*** The Kingdom provides aid through specialized government agencies, such as medical aid by the Ministry of Health, food aid by the Ministry of Agriculture, and university scholarships by the Ministry of higher Education.

■ ***Saudi Arabia Red Crescent Society:*** This society, together with government agencies, provides emergency humanitarian aid to countries affected by disaster and crisis.

■ ***Organized Charity Activities:*** These include aid raised and offered under government supervision, through ad hoc committees, in response to specific events, such as natural disasters and humanitarian crises due to armed conflict and starvation.

Table (8.1): Saudi Arabia's Contributions to Arab, Regional and International Development Institutions up to 31/12/2007

(US \$Million)

Institutions	Capital	Kingdom's Contribution	Kingdom's Contribution (%share of capital)
Arab Monetary Fund	2862.0	424.3	14.83
International Monetary Fund (IMF) *	344629.0	11106.9	3.22
African Development Fund	-	281.3	1.13
OPEC Fund for International Development	3435.0	1023.3	10.00
International Fund for Agricultural Development (IFAD)	3652.0	389.8	10.75
Arab Fund for Economic and Social Development	24131.0	578.98	23.99
Arab Bank for Economic Development in Africa	2200.0	538.2	24.46
Islamic Bank for Development	23850.0	5859.4	24.57
World Bank	189801.0	5403.8	2.85
African Development Bank	32780.9	61.7	0.19
International Development Association (IDA)	168438.6	2258.2	1.34
Arab Authority for Agricultural Investment and Development	364.7	81.9	22.46
The Arab Investment Guarantee Corporation	2365.1	30.1	1.27
Islamic Institution for Investment and Export Credit Insurance	202.4	13.6	14.37
International Investment Guarantee Agency	154.2	21.5	28.72
Islamic Institution for Development of the Private Sector	500.0	38.1	25.40
International Islamic Institution for Finance of Trade	0.750	120.0	16.000
International Investment Guarantee Agency	1885.6	59.8	3.17

* *The African Development Fund has no capital; it depends on grants by donor countries.*

Source: Saudi Fund for Development, Annual Report 2000.

FORMS OF FOREIGN AID

Saudi foreign aid is provided in the following forms:

■ ***Soft loans:*** The Kingdom gives soft loans to developing countries to be repaid over 20 years, with a grace period of five years. These loans could be either bilateral, or from within multilateral agreements. The Kingdom shares other donor countries in providing aids.

■ ***Grants:*** These could be in cash or in kind, with eligibility determined on a case by case basis.

■ ***Humanitarian Relief and Assistance:*** This kind of aid is provided in response to emergencies resulting from natural disasters, starvation and armed conflict.

■ ***Educational Fellowships:*** The Kingdom provides a number of scholarships to qualified students in developing countries to study in Saudi Universities.

HUMANITARIAN ASSISTANCE

The Kingdom is one of the major providers of relief aid. In 2006, emergency relief was extended to people affected with war, earthquakes and draught in Lebanon, Iran, Indonesia, Bangladesh, Philippines, Sri Lanka, Djibouti, Comoro Islands and Kenya. The Kingdom also provided financial aid to Yemen in support of efforts to remove landmines in the Aden governorate.

Saudi Arabia co-chairs the committee supervising reconstruction of Afghanistan, along with the USA, the EU and Japan.

In 2003, Saudi Arabia pledged \$1billion for the reconstruction of Iraq, in addition to the continuous humanitarian assistance provided to the Iraqi people in the form of food, medical supplies and equipment. The Kingdom also established a field hospital in Baghdad. Moreover, it established 10 water purification plants, and air lifted patients to Saudi hospitals to receive specialist treatment.

ECONOMIC AND SOCIAL DEVELOPMENT AID

This section reviews bilateral and multilateral economic and social aid provided by the Kingdom in 2007 and total aid over the 1975–2007 period, along with the sectoral distribution of aid.

■ **Bilateral Aid:** In 2007, 17 bilateral loan agreements were concluded, through the Saudi Fund for Development, with 12 developing countries (7 in Africa and 5 in Asia), with a total value of SR1108.25 million, to contribute to financing 17 development projects. The social infrastructure sector received the largest share of both total amounts and number of projects. The Fund financed 6 projects four in the health sector and two in the education sector, with a total value of SR473.25 million, or 42.71% of the Fund's total finance in 2007. The Fund also continued to give attention to the transport and communication sectors. It financed 6 projects in road sector, with a value of SR296.25 billion, or 26.63% of the Fund's finance for 2007.

Furthermore, the Fund financed four projects in the agriculture sector, with a total value of SR238.75 million, or 21.54% of the Fund's total finance for 2007. The other sectors received about SR100 million, or 9.02% of the Fund's total finance for 2007, as shown in Table (8.2).

**Table (8.2): Sectoral Distribution of the Fund's Loans
2007**

Sector	No. of Projects	Amount (SR. million)	% of Total Loans
A. Transport & Communication			
– Roads	6	296.25	26.73
B. Agriculture	4	238.75	21.54
C. Social Structure:			
– Education	2	138.75	12.53
– Health	4	334.50	30.18
– Other sectors	1	100.00	9.02
Total	17	1108.25	100.00

Source: Saudi Fund for Development, 2007 report.

■ ***Multilateral Aid over 1975–2007:*** The Kingdom participated in financing 16 major projects in different countries, (see Table 8.3).

■ ***Total Aid Over 1975–2007:*** Saudi Arabia is the largest donor of development aid to developing countries in terms of ratio of aid to GDP.

The number of soft loan agreements concluded by the Saudi Fund for Development in 1975 and up to the end of 2007 was 428 agreements for funding 417 development projects and development programs, with a value of SR27.73 billion. 71 developing countries benefited from this aid; 41 in Africa, 25 in Asia, and 5 in other regions.

■ ***Sectoral Distribution of Aid:*** Saudi foreign aid targeted large investment projects with a long cost-recovery horizon, which, for that reason, are not attractive to investors. The transport and communications sector received the highest share at 32.97%, followed by the social infrastructure sector at 22.37%, the energy sector at 18.02%, the agricultural sector at 17.89%, the industry and mining sector at 6.26%, and other sectors at 2.49%.

Table (8.4) shows the sectoral and geographical distribution of Saudi foreign aid in the form of soft loans by the Saudi Fund for Development.

Table (8.3): Multilateral Aid in 2007

(SR. Million)

Country	Project Title	Total Cost	Fund's Contribution	Other Financing Partners and Amount of Finance
Yemen	Hadidah Central Hospital	225.00	113.50	<ul style="list-style-type: none"> Islamic Bank for Development, 12 million Islamic Dinars
Azerbaijan	Yafikh-Ganja Road	117.97	48.75	<ul style="list-style-type: none"> Islamic Bank for Development, 7 million Islamic Dinars
Senegal	Dalal Jim Hospital	222.40	54.50	<ul style="list-style-type: none"> Islamic Bank for Development, US\$10.21 million Arab Bank for Development in Africa, US\$7 million OPEC Fund for International Development, US\$10.4 million Kuwait Fund for Development, US\$3 million
	Madinal Juras-Guina Borders Road	85.50	37.50	
Kenya	Dondori-Njabini Road	142.00	37.50	<ul style="list-style-type: none"> Arab Fund for Economic Development in Africa, US\$10 million OPEC Fund for International Development, US\$10 million
Tanzania	Construction and rehabilitation of rural roads	57.00	21.00	<ul style="list-style-type: none"> Arab Bank for Economic Development in Africa, US\$8.1 million
Lesotho	Meta Long Dam	512.50	37.50	<ul style="list-style-type: none"> Kuwait Fund for Development, 4 million Kuwait Dinars Arab Bank for Economic Development in Africa, US \$10 million OPEC Fund for International Development, US\$6 million US Institution for Millennium Challenges, US\$86.80 million
Borkinafaso	Yejreso-Deibojo Road	225.00	37.50	<ul style="list-style-type: none"> Arab Bank for Economic Development in Africa, US\$12 million Kuwait Fund for Arab Economic Development, 12 million Kuwait Dinars Islamic Bank for Development, US\$10 million West Africa Bank for Development, US\$8 million Kuwait Fund for Arab Economic Development, 12 million Kuwait Dinars Islamic Bank for Development, US\$13.76 million Arab Bank for Economic Development in Africa, US\$12 million West Africa Bank for Development, US\$8 million Abu Dhabi Fund for Economic Development, US\$10 million OPEC Fund for International Development, US\$7 million Regional Fund for Development of West Africa Countries Economic Union, US\$8.13 million
	Samandini Dam	487.50	45.00	
Total		3074.87	431.75	

Source: Saudi Fund for Development, Annual Report, 2007.

**Table (8.4): Sectoral Distribution of the
Cumulative Loans by the Saudi Fund for Development**

(SR. Million)*

Sector	Africa		Asia		Other Regions		Total		% of Total
	Number of Projects and Programs	Amount	Number of Projects and Programs	Amount	Number of Projects and Programs	Amount	Number of Projects and Programs	Amount	
1. Transport and Communications									
a) Transport									
• Roads	54	2539.21	36	2799.86	1	17.40	91	5356.47	34.98
• Railroads	6	541.12	8	1094.68	–	–	14	1635.8	10.68
• Sea Ports	10	742.56	8	689.07	1	112.60	19	1544.23	10.08
• Airports	9	212.60	5	141.51	–	–	14	354.11	2.31
b) Communications	3	118.71	2	134.00	–	–	5	252.71	1.65
2. Agriculture	56	3337.86	22	1618.66	–	3.75	78	4960.27	32.39
3. Energy	14	1403.78	28	3482.00	1	111.06	43	4996.84	32.63
4. Social infrastructure									
a) Water and Sanitation	15	924.50	14	790.07	2	79.50	31	1794.07	11.72
b) Education	22	1074.10	19	1029.27	–	20.00	41	2123.37	13.87
c) Health	11	469	12	823.95	–	17.50	23	1310.45	8.56
d) Housing and Urban Development	16	764.31	3	98.31	–	–	19	862.62	5.63
5. Industry and Mining	13	1098.38	5	638.07	–	–	18	1736.45	11.34
6. Other Sectors	15	323.10	3	317.10	1	48.75	19	688.95	4.50
Total	244	13522.50	167	1379.30	6	410.56	417	15312.36	100

* One US\$ = 3.75 SR.

Source: Saudi Fund for Development, 2007 Report.

Box (8.1): International Cooperation and Development Objectives of the Eighth Development Plan

- Contribute to international social, economic and civilizational Development.
- Support cooperation and integration, both regionally and globally, in the interest of socioeconomic development and the maintenance of international security and peace.
- Provide aid and assistance to the needy all over the world, within available resources and in the context of the humanitarian values and heritage of the Kingdom.

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