Kingdom of Saudi Arabia

Royal Commission for Jubail and Yanbu / United Nations Development Programme

Project Initiation Document (PID)

Project Title:

Operational Excellence in (RCJY)

Project ID:

SAU10/90112
**United Nations Development Programme**

**Project Initiation Document (PID)**

**Kingdom of Saudi Arabia**

**Project Title:** Operational Excellence in Royal Commission for Jubail and Yanbu (RCJY)

**Project ID:** SAU10/90112

**Expected CP Outcomes:** Sustainable Development Mainstreamed across the Economy

**Expected Output(s):** Comprehensive Project Document for technical assistance support to (RCJY)

**Executing Entity:** Royal Commission for Jubail and Yanbu (RCJY)

**Implementing Agencies:** UNDP

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**Project Description**

This Initiation Plan is intended to assist the Royal Commission for Jubail and Yanbu (RCJY) in the development of a full-fledged Project Document that will encompass main activities and outcomes for a joint development programme between RCJY and UNDP aiming at ensuring industrial cities under RCJY mandate to become cities of excellence reaching the status of Best Industrial Cities globally in order to achieve sustainable development, provide a good life for its residents and apply best operational modalities.

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**Programme Period:** 2012 – 2016

**Key Result Area (Strategic Plan):** Outcome 3

**Atlas Award ID:** SAU10/90112.

**Start date:** 1 July 2014

**End Date:** 30 June 2015

**PAC Meeting Date:**

**Management Arrangements:** NIM

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**Total resources required:** 52,500 US$

**Total allocated resources:**

- **Government:** 52,500 US$

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Agreed by the Royal Commission for Jubail and Yanbu (RCJY)

Eng. Ali A. Al-Meiman
General Manager of Operational Excellence

Agreed by the United Nations Development Programme (UNDP)

Firas Gharabeh
Deputy Resident Representative, RR a.i.

Date: 19-7-1435H (18 May 2014)
Background

Diversification of the economic base has been a key objective of economic and social development ever since the National Development Plans were initiated more than 40 years ago the Kingdom realized importance of decreasing its dependence on oil resources that may likely be depleted in the long run and that are subject to the volatility of international energy markets. Development plans have, therefore, consistently focused on developing and enhancing the role of non-oil sectors in the national economy.

In 1975 (1395H) and within the National Development Plan, which aims to create a diversified economy and reduce dependence on revenues of crude oil, a Royal Decree No. M / 75 issued establishing the Royal Commission for Jubail and Yanbu. The main aim of the commission is the overall management of their industrial cities including development and operation.

This Initiation Plan is intended to assist the Royal Commission for Jubail and Yanbu (RCJY) in the development of full fledge of Project Document and technical assistance programme that will encompass main activities and outcomes for a joint development programme between RCJY and UNDP. The proposed programme is aiming at ensuring industrial cities under RCJY mandate to become cities of excellence reaching the status of Best Industrial Cities globally to achieve environmentally sustainable development, provide a good life for its residents and apply best operational modalities.

Objective, outcomes, duration of the Initiative Plan

This Initiative is to provide international consultant in the field of operational excellence in the form of 2 missions for the duration of 29 man-days for both missions within a 3-month timeframe. The objective of such missions will be to 1) Assess the current operational situation and present it to the RCJY 2) help the commission in identifying areas for the development of a joint programme between UNDP and RCJY, and 3) produce a detailed and fully budgeted project document that would be used as the basis of the work the commission together with UNDP can do in order to ensure operational modalities at all RCJY industrial cities reach the utmost levels of excellence (cities of excellence).
In the process, these activities will help in developing the Commission’s policy, advocacy, and executing capacity in the areas of operation excellence.

This **Initiation Plan (PID)** will provide international consultants in the field of operation excellence and development in the form of 2 missions for the duration of 29 man-days for a total of a 3 months' timeframe to deliver a document with international experience in operational excellence in technical affairs, operation and maintenance, support services, Colleges and Institutes and public services functions, and help the Commission in identifying promising areas for the improvement and develop policies, guidelines, processes, procedures, and standards and specifications, for the cities.

The main outcomes, outputs and activities that are intended to serve this purpose are represented in the following:

**Outcome 1:**
The approval of project document, by the RCJY.

**Output 1**
Assessment of the current operational situation and presentation to the RCJY

**Activities:**

1.1 Present a desk review (report) on international experience in the field of operational excellence and development.
1.2 Collect, share and maintain knowhow, expertise and best practices, benchmarking, total quality management, cost analysis, knowledge management and guidelines in technical affairs, operations and maintenance, support services, Colleges and Institutes, research and development and public services.
1.3 Review and suggest amendments as deemed necessary on operational policies, processes, procedures, standards and specifications to be detailed further in the PD presented.
1.4 Review and suggested amendments as deemed necessary on the execution of operational excellence initiatives at the HQ and the cities
1.5 Prepare a presentation to the RCJY, relating the findings, gap analysis and recommendations.
Output 2
Prepare an agreed upon project document including work plan, budget and Terms of Reference (TOR) for the Royal Commission.

Activities:

2.1 Based on output one and initial feedback, draft an initial logical framework and project document for discussions.

2.2 Consolidate feedback, and prepare a major presentation to be presented by the Director General to the RCJY on international experience, and the director’s proposal and strategy in improving the situation of cities, and how UNDP can help based on its comparative advantage.

2.3 Draft a detailed Project document including work plan, budget and TORs to express the needed time and resources to be mobilized to support the Royal Commission activities, and preparation of project document for signature.
<table>
<thead>
<tr>
<th>Outputs</th>
<th>Impact and Intended Results</th>
<th>Indicative Activities (Strategy)</th>
<th>Type of the Activities</th>
<th>Input/Timing/Relationship with other Partners</th>
<th>Cost US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Assessment of the situation and presentation to the RCJY.</td>
<td>Agreement about assessment and approval to move forward by the RCJY.</td>
<td>1.1 Desk Review (report) Presenting international experience on operational excellence and development</td>
<td>Desk Review</td>
<td>$35,000</td>
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<td>1.2 Collect, share and maintain knowhow, expertise and best practices benchmarking, total quality management, cost analysis, knowledge management and guidelines in technical affairs, operations and maintenance, support services, Colleges and Institutes, research and development and public services</td>
<td>Field Visit</td>
<td>UNDP Expert for 21 man days</td>
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<td>1.3 Review operational policies, processes, procedures standard and specification</td>
<td>Desk work</td>
<td>Presentation</td>
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<td>Review the execution of operational excellence initiatives at the HQ and the cities</td>
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<td>1.4 Prepare a presentation to the RCJY, relating the finding and recommendations</td>
<td>Presentation</td>
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<tr>
<td>2.</td>
<td>An agreed upon project document.</td>
<td>The development of Joint programme between the Royal Commission and UNDP to support development activities.</td>
<td>2.1 Based on output one and initial feedback, Draft an initial logical framework and project document for discussion.</td>
<td>Desk work and Presentation</td>
<td>Expert to come for 8 man days</td>
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<td>2.2 Consolidate feedback, and prepare a major presentation to be presented by the Director General to the RCJY on international experience, and the director's proposal and strategy in improving the situation of the Royal Commission, and how UNDP can help based on its comparative advantage</td>
<td>Desk work</td>
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<td>2.3 Draft detailed work plan and budget developed to express the needed resources to be mobilized to support UNDP activities, and preparation of project document for signing.</td>
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<td>UNDP CO Fees</td>
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<td>$50,000</td>
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<td>GRAND TOTAL</td>
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<td>$2,500</td>
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<td>$52,500</td>
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Management Arrangement

The project will be nationally-executed through the Royal Commission. The assigned national project coordinator (by RCJY) will be in charge of the management of this project and will be the coordination focal point with UNDP. All project personnel will be under the guidance and supervision of the National Project Coordinator.

The amount estimated in the budget (US $52,500) will be deposited with UNDP. Thereafter, payments for items identified in the project matrix (budget) will be made by UNDP after receiving disbursement instructions from the National Project Coordinator. A financial report will be submitted to the Commission at the end of the project for the purpose of review and endorsement. In the event that both parties decided to close this project and certain funds remained unutilized, UNDP will return the unutilized balance, after clearing all contractual commitments, to the Foundation or transfer to a full-fledged project depending on the preference of the Royal Commission.

The budget is subject to review as needs arise and there is enough flexibility to transfer among project budget sub lines.