



# 2006 Resident Coordinator Annual Report United Arab Emirates

Date: 30 January 2007

To: Mr. Ban Ki-moon Secretary General United Nations New York

Dear Mr. Ban Ki-moon,

Subject: UN Resident Coordinator Report for 2006 for the United Arab Emirates

I have the pleasure to enclose the annual Resident Coordinator Report reflecting the United Nations operational activities for development undertaken by the country office in the United Arab Emirates (UAE) and the State of Qatar in 2006.

In recent years, several UN agencies have set up major operations in UAE and hosted in Dubai Humanitarian City. Some of these agencies are operating under the Basic Agreement between UNDP and the Government of UAE and generally rely upon UNDP for logistical support, including security arrangement.

Currently, there are 12 UN agencies with presence in UAE. UNDP and FAO have country representations in Abu Dhabi, the capital, while UNHCR and UNIFEM have staff that are accommodated in the UNDP CO. WFP, UNICEF, UNDSS, OCHA, OCHA-IRIN, UNOPS and UNU have activities initiated from Dubai but mainly to serve other countries in the region and beyond the region. Non-resident UN agencies have activities in the country that are generally implemented in cooperation with UNDP.

In Qatar, UNDP resumed its activities in 2006, after signing a MOU between UNDP and the State of Qatar, and UNDP-UAE CO is managing Qatar country activities. FAO and UNESCO operate in Qatar, the first has a country presence and the second has a sub-regional office.

The number of international staff in UAE and Qatar at the end of 2006 was 71 and 5, respectively. While the number of VIP missions that have visited Qatar or UAE in 2006 were 12. Furthermore, the number of UN flights that operated from Dubai was 304, carrying 9,607 UN personnel in 2006.

It is worth mentioning that UN technical cooperation activities and coordination in both countries are characterized by special circumstances among which are:

- a) Qatar and UAE are Net Contributor Countries and GDP per capita was estimated at US\$ 28,177 and 53,345 in UAE and Qatar respectively in 2005;
- b) UN presence in UAE, in particular, benefits from the free logistical facilities that have been offered by the Emirate of Dubai and to use Dubai as a regional hub to reach out to other countries in the region. UNDP, on the other hand, has a full fledged country programme for UAE and initiated and/or implemented about half a dozen projects in Qatar in 2006. UNICEF, WFP, UNAIDS, ESCWA, UNOPS and UNIFEM implemented activities in UAE and Qatar in 2006 upon government authorities' request and generally in cooperation with UNDP;
- c) The two countries have relatively high development indices; however, there is a demand for highly qualified expertise, mostly at the policy decision-making level, and training of nationals for building national capacities that are consistent with national priorities. UAE and Qatar were ranked 49th and 46th, respectively, in the HDI in the UNDP HDR of 2006.

## UAE and Qatar Current Situation

Economic, political, and development trends:

### a) UAE:

At the economic realm real GDP growth rates have been strong in recent years. It is estimated, for instance, at 9.7 and 8.2 (constant price) per cent in 2004 and 2005 respectively. Inflation rate, on the other hand, increased from 5.0 per cent in 2004 to around 10 per cent in 2006. This is attributed to the high oil revenues, which boosted fiscal earnings substantially and has allowed for major expenditure increases. Inflation has been picking-up as the growing liquidity in the UAE economy has resulted in vast inflows of invisible funds into the stock and the real estate sectors, thus resulting in asset price inflation.

The UAE government continues to promote an economic diversification strategy and reduce economic dependency on a single commodity. In 2004, for example, service sectors accounted for 40 per cent of the GDP and manufacturing sector accounted for 12.4 per cent, while extraction sector (mainly oil) contributed 35.5 per cent. FDI inflows, on the other hand, increased five-fold between 2000 and 2004, and reached US\$9 billion in 2004. IMF projected inflows to be US\$10.3 billion for 2005.

Elections were held across the country in December 2006 to elect 20 of the 40 members of the Federal National Council, while the other half continues to be appointed by the rulers of the seven emirates that constitute the UAE Federation. The 20 elected members were voted through an Electoral College, which led to the election of one woman. The vote was the

Emirates' first since the country was formed in 1971, and it is hoped that it ushers a process of a wider democratization in the coming years. Apart from the elections, the country remains politically stable and continues to play a positive role both regionally and globally.

UAE contributed US\$ 10 million to WFP and US\$ 8.2 million to UNICEF in cash in 2006. Furthermore, UAE NGOs, mainly UAE Red Crescent Society, raised millions of dollars to support disaster stricken countries in the region and elsewhere.

According to the 2005 population census results, UAE had 4.1 million of which nationals represent about 20 per cent of the total population, while the remaining consists of expatriate labor, mostly from the sub-Indian continent. The number of workers more than doubled between 1995 and 2005, from 1.2 to 2.6 million.

b) Qatar:

Qatar is expected to maintain its fast economic growth that was estimated at 9.3 and 6.1 per cent (constant price) in 2004 and 2005 respectively. In 2005, the extraction industry (oil and gas) accounted for 60 per cent of GDP, while the mineral fuels and products accounted for 86.6 per cent of the total value of goods exported in 2004. By 2010, Qatar is expected to be the world largest producer of liquid natural gas, which national revenue increased from QR8 billion in 1999 to QR27 billion in 2005. Recently, the Government of Qatar began economic diversification through financing significant petrochemical and gas related projects and by adopting economic diversification strategies, such as the establishment of free-trade zones, to strengthen Qatar integration into global economy.

Qatar is undergoing a period of gradual political reforms, under the direction of the emir, Sheikh Hamad bin Khalifa Al-Thania. The apex of this programme will be the creation of a new parliament, the Majlis al-Shura (Consultative Council), which will have legislative power. The election of the Council is expected to take place in the first half of 2007. Furthermore, Qatar plans to hold municipal elections in 2007 as well.

Qatar remains politically stable and highly committed to both regional and international cooperation and has been investing significant resources to contribute to regional security, conflict prevention, and development. This is testified by hosting several international conferences and major meetings, the most recent is the Sixth International Conference on Newly and Restored Democracies (ICNRD-6), in cooperation with UN/UNDP.

## Summary on progress towards UNDAF outcomes

As stated before, Qatar and UAE are Net Contributor Countries with limited UN development activities, especially if UNDP programme is excluded and based on UN DGO policy and guidelines UNDAF is not mandatory for this group of countries. Nonetheless, UNDP-UAE CO implemented activities and developed programmes in both countries jointly with counterparts and in line with national developmental priorities. The national ownership is also attained for other activities that have been implemented by the UN system.

## Summary on progress in UN Reform

UN/UNDP supported technical cooperation activities in UAE and Qatar, which are mostly demand driven and fully funded by national resources, which in turn ensures national ownership and consistency with national development priorities. The services rendered by the UN system focuses on improving the efficiency of public sector, promoting good governance with broader public participation, reinforcing the "newly born" democratization processes, strengthening the national legislative institutions, advocating gender mainstreaming, and facilitating integration into global market, all with the intended objective of elevating human development, as stipulated in the MDGs.

On the other hand, due to the profusion of financial resources, linked to the high price of oil and gas, the two countries have achieved most of the MDGs levels set out in the Millennium Development Declaration. In addition to building national capacities, UNDP has supported the publication of the second UAE MDG Report for UAE and the first national HDR for Qatar in 2006. Similarly, the CO made contributions in other spheres of human development, in particular in HIV/AIDs. Finally, as stated above, both Qatar and UAE have made substantial support to South-to-South development and humanitarian aid in 2006 and the CO mobilized resources in the UAE for other UNDP country offices, particularly in least developed countries (LDCs) as well as for other UN agencies.

## Key aspects of the proposed 2007 workplan

UNCT will continue its focus in 2007 on the following strategic interventions, which are directly linked to the ongoing country interventions:

1. Strengthen the democratization processes and extend the UN support to the newly elected and appointed Federal National Council of UAE as well as facilitate the forthcoming municipality elections in Qatar.

2. Women empowerment and gender mainstreaming through national civil society organizations. UNDP, UNIFEM, and other partners will continue their activities in this strategic area in the coming years.
3. UNAIDS, UNDP, and UNICEF will continue to raise awareness on HIV/AIDS, in partnership with the national health authorities, and national NGOs. UAE and Qatar are characterized currently by low prevalence rates (less than 1 per thousands), but the elements for the rapid spread of the epidemic are evident.
4. The RC system will continue to facilitate the functions of several UN agencies that have chosen Dubai as a location for their regional and /or global operations.