PROJECT DOCUMENT
Bahrain

Project Title: Supporting the Initiation of the Public Administration Innovation Lab
Project Number: 00113912
Implementing Partner: BIPA
Start Date: September 2018   **End Date**: September 2020   **PAC Meeting date**: 30 July 2018

Brief Description
The ambitious aims of Bahrain Economic Vision 2030 and the 2030 Sustainable Development Agenda have to be realized in a complex, unpredictable and volatile environment in which large global trends such as technological innovation, climate change, growing networks of mobile trade, finance and people, demographic imbalances, shifting geopolitics and changing security paradigms, etc., are creating, on their own and in interaction, unprecedented development realities with new opportunities and challenges. The administrative, public service and development blueprints of the 19th and 20th have proven insufficient to deal effectively with these complex challenges and opportunities and to respond to the demand to do 'more' with less resources. Therefore, not only the achievement of the highly ambitious visions of Bahrain Vision 2030 and the SDGs are at risk; popular trust in the capacity of public institutions to deliver on the promises of inclusive and sustainable development is rapidly declining, creating new issues of legitimacy and stability. An important emerging 'international good practice' in the transformation of 21st century public sector is the introduction of 'public service innovation labs' (PSIL). UNDP and the Public Institute of Administration (BIPA) therefore propose to establish a similar Public Administration Innovation Lab (PAIL) infrastructure at BIPA which initiates, facilitates, leads and promotes innovative policy and service (delivery) solutions that are future-oriented, human-centred, technology-driven, and responsive to evolving needs and demands of governments, citizens and the private sector.

CPD OUTCOME 2: Bahraini institutions and programmes are effective, responsive and accountable in line with international standards and practices	**Total resources required:**		$160,000
Output 2.1. Capacity of public administration developed on policy making, government performance, managing change, innovation and using international practice.	**Total resources allocated:**		
		BIPA	$80,000
		Government MOF:	$80,000
	Unfunded:		$160,000

Agreed by UNDP and BIPA:

Government	UNDP
Dr. Raed Benshams, Director General, BIPA	**Mr. Amin El Sharkawi,** UN Resident Coordinator and UNDP Resident Representative
Date: 10 September 2018	Date: 10 September 2018

I. DEVELOPMENT CHALLENGE

The challenges to government performance in the 21st century: its root, underlying and immediate causes

(INTRODUCTION) United Nations Secretary-General Antonio Guterres was unequivocal when stating the necessity of public administration innovation for the achievements of the SDGs in 2018 and the importance for the public sector to acquire new skills: *"Public service is a critical component for achieving the Sustainable Development Goals. But we need to pioneer new approaches, work differently, take risks and innovate. This means training in new skills and building the capacities of the public sector. And it means seizing the potential of technological innovations to create more responsive, efficient and collaborative public services."*[1]

United Nations Public Administration Network (UNPAN), the Division for Public Institutions and Digital Government (DPIDG) of United Nations Department of Economic and Social Affairs (UNDESA) and the United Nations Development Programme (UNDP) have responded to the UN Secretary-General call to action through research, programming and competitions, rapidly building up a solid body of knowledge and experience on public sector innovation and SDG implementation. In **the Innovation Imperative in the Public Sector; Setting an Agenda for Action**[2], OECD anticipated the UN Secretary-General's statement. The OECD **Observatory for Public Sector Innovation (OPSI)** quickly related the Agenda for Action to the 2030 Agenda by stating that SDG outcomes and citizen expectations do not match government organisational structures and the kind of output these generate, and that successful SDG achievement required innovative public administration practices.

The Government of Bahrain has formulated and adopted an ambitious vision and agenda for the development of the country. Bahrain Economic Vision 2030 and the Sustainable Development Goals (SDGs) describe a clear and preferred destination and serve as navigation tools for the development of government strategies, policies and services. Economic Vision 2030, for example, 'aspire to shift from an economy built on oil wealth to a productive, globally competitive economy, shaped by the government and driven by a pioneering private sector – and economy that raises a broad middle class of Bahraini who enjoy good living standards through increased productivity and high-wage jobs. Our society and government will embrace the principles of sustainability, competitiveness and fairness to ensure that every Bahraini has the means to live a secure and fulfilling life and reach their full potential.'[3]

The Government of Bahrain has also enthusiastically embraced the SDGs, forming high-level committees to oversee the implementation of the SDGs and committing significant financial and human resources from the central statistical office to ensure adherence to best practices.[4] Public sector performance, itself a key component of **Goal 16 (Peace, Justice and Strong Institutions)**, will be key to Bahrain's achievement of the 2030 Agenda, and interventions such as the one proposed below will provide important measurements on progress made (especially against **Indicator 16.6.2** *Proportion of the population satisfied with their last experience of public services* and **Indicator 16.7.2** *Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group.*)

(ROOT CAUSE) The transformative Bahrain Vision 2030 and the SDGs are to be realized in a world that is rapidly changing on its own accord. Deep uncertainty about the direction of this change is replacing confident 20st century models. The great disruptive forces of the 21st century, such as technological innovation, the new Anthropocene and climate change, the complex global network of mobile finance, trade and people, etcetera are creating new development realities previously unheard of. Artificial intelligence and robotics are destroying traditional employment opportunities

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[1] https://www.un.org/development/desa/en/news/administration/2018-un-public-service-awards.html

[2] OECD (2015), *The Innovation Imperative in the Public Sector: Setting an Agenda for Action*, OECD Publishing, Paris.

[3] https://www.bahrain.bh/wps/wcm/connect/38f53f2f-9ad6-423d-9c96-2dbf17810c94/Vision%2B2030%2BEnglish%2B%28low%2Bresolution%29.pdf?MOD=AJPERES

[4] http://www.agsiw.org/bahrain-moving-toward-implementation-of-u-n-sdgs/

and create new types of jobs; rising sea levels and erratic weather patterns are responsible for the emergence of climate refugees and an increasing speed of urbanization; the Internet of Everything and Big Data transform population clusters into Smart Cities; 3D printing is revolutionizing the health sector, while antibiotics resistance is undermining the pillars on which most national health systems are build; economics shifts, technological advances and social change are calling for radical revisions of educational models that will ensure relevance in the emerging global market; last but not least, the tectonic economic and social shifts are responsible for growing inequality and increasing calls for innovative approaches to sustain hard won welfare gains.

Bahrain is not immune to the complexity and volatility of the 21st century, on the contrary. Bahrain is a country with an open economy, located in one of the most important strategic locations in the world (logistically, geopolitically, etc.), and to a large degree depended on the unpredictable ebb and flow of the global forces that shape the new development realities and that are beyond the control of any national government. A relevant example of the interaction of these global forces, its unintended consequences and possible devastating impact on future development in Bahrain is a recent study, published in the journal Nature Climate Change, called 'Macroeconomic impact of stranded fossil fuel assets'.[5] The study argues that, due to environmental, social and political pressures, state and non-state investment in low-carbon technologies is rapidly increasing and prices for renewable energy are plunging fast - much faster indeed then originally predicted. This increases the likelihood of a much quicker and more sudden drop in demand for fossil fuels, leaving countries like Bahrain with trillions of worthless assets before the transition to a diversified economy is completed.

These potential new development realties shape the background and the implementation environment in which Bahrain Vision 2030 and the SDGs, with their promises of diversified and inclusive growth, a better life for all Bahraini citizens, etc. have to be realized. The Government of Bahrain not only needs the flexibility to navigate this turbulent environment in which the most meticulous development plans can be easily thrown off course; it also requires the adaptability to make the most of newly emerging economic and social opportunities.

(UNDERLYING CAUSE) Governments are struggling to respond to these emerging development realities, which are complex and often radically new, and for which few blueprints or 'good practices' exist. Never before have governments been asked to do so much – to deliver more, and better, with less. Traditional robust public administration and public service structures that served governments well in most of the 20st century have become rigid in the face of the challenges and opportunities of the 21st century. The hyperrational division of labour in line ministries, departments, agencies and individuals is uncapable to deal with the increased complexity and cross-sectoral dimensions of 21st century development issues and hamper effectives whole-of-governance approaches. Sharp divisions remain between the public, private and social sector, impeding efforts to tap into the huge potential of whole-of-society solutions to 'wicked problems'. An emphasis on bureaucratic up-front planning leads to 'planning paralysis' and loss of adaptability to rapidly changing circumstances in the implementation environment.

A recent report by the McKinsey Center for Government (MCG) captured this struggle succinctly when it stated that their "research has revealed that only 20 percent of large-scale government change efforts fully succeed in meeting their objectives. There is no shortage of bold government visions; the challenge is how to translate those visions into reality."[6] Tellingly, these conclusions are based on research done in 18 (highly) developed countries, indicating that the development challenges of the 21st century cannot only be met by the 20th century blueprints for public administration and public service. "In this environment, many governments recognize that they must not just reform but transform."[7]

An additional, and increasingly relevant, argument for the urgent need of a machinery of

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[5] Quoted in the Guardian, 'Carbon bubble' could spark global financial crisis, study warns (4 June 2018)
[6] McKinsey Center for Government, Delivering for citizens; How to triple the success rate of government transformation Executive Summary, June 2018, p. 2
[7] idem

government that is capable of dealing with the unpredictable and complex public realities of the 21st century are issues relating to trust, legitimacy and ultimately stability.[8] Governments around the world are finding it hard to maintain public trust in the capacity of its institutions to meet evolving citizens' expectations.[9] Citizens' expectations do not only concern the quality of services – for example, the ability of educational systems to prepare their children for future jobs, appropriate health systems to deal with an ageing population, the inclusiveness of national welfare policies, among others -, but increasingly includes opportunities to co-decide, co-design and co-implement policies and services that have an impact on their lives.

The consensus is that the Bahrain public service is not yet ready to meet this challenge. The situation is exacerbated by backlogs, budgetary constraints and demands for effective operational processes and appropriate use of information technology. The Government's Plan for the period 2015-2018 has singled the improvement of performance of the machinery of government, including the public service, as one of its six strategic goals. UNDP, in alignment with the national priorities, has as one of the key results of the Country Programme Document the "support to make Bahraini institutions and programmes effective, responsive and accountable in line with international standards and practices", with Output 2.1. "Capacity of public administration developed on policy making, government performance, managing change, innovation and using international practice". Many of these capacity issues are inherited from an earlier area ('effectiveness' and 'efficiency'), while some already start to address the institutional and individual capacity to respond to the rapidly changing environment.

[Emerging Good Practice: Public Sector Innovation]

(**IMMEDIATE CAUSE**) Out of these efforts to transform public service organisations, to make the institutions once again capable to deal with the issues of the day and of the future, to anticipate, adapt and respond to rapid economic, social and environmental changes, to meet citizens' expectations and restore their trust in the machinery of government, some promising new 'good practice' is emerging. 'Public service innovation' is a broad term that, although as a relative new field still escapes clear definition, brings together a range of innovative tools, practices and efforts to change and innovate key elements of the public administration and public service. 'Systems dynamics policy labs', for example, use 'system dynamics' to expose the inner workings of a public service organisation and its multiple relationships with partners such as citizens, the private sector and the political government and identify opportunities how radical structural rearrangements can produce better policy outcomes (for example the Social System Design Lab based out of Washington University in St. Louis). Others, like the UK government's Policy Lab, the Danish MindLab and the Finnish Demos, borrow heavily from design-thinking methods from the digital sector to develop human-centred digital services. Another prominent exponent of public service innovation, the UK based NESTA, draws almost exclusively on behavioural science and related data to generate insights about how to make public services easier for citizens to use. Region27, a Finnish outfit, incorporates foresight methods to creatively explore desired public service futures, an approach which the Government of Dubai has taken to a whole different level with their 'Museum of the Future'.

As an emerging good practice, it is rather difficult to define public service innovation unambiguously, or even to state categorically what counts as public service innovation and what doesn't. It is an amorphous field which continues to explore new opportunities and possibilities. A few general principles are emerging, however. Public service innovation takes the citizens' experience of a service or a policy as its starting point. Human-centred design, 'nudging' (the application of behavioural science to policy development), 'end-to-end' service journeys, community-mapping etc. are common points of departure. Public service innovation is about what makes a citizen's life easier or qualitatively better, not that of individual bureaucrats or the bureaucracy. Public service innovation also collaborates intensively, for practical and ideological reasons, with the private and social sector ('collective intelligence', 'crowdsourcing'); innovative solutions are co-designed and often co-implemented with communities, entrepreneurs, data scientists, etc. on an equal basis; the

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[8] Centre for Public Impact, What drives legitimacy in government? A global discussion paper, May 2017, p4-5

[9] https://www.edelman.com/trust-barometer

public service is not expected to be the sole experts of public issues or have all the answers to complex public problems, nor is it desirable that it innovates in isolation. The most successful public service innovation come from outside the public service.

Public sector innovation is 'light' on research, analysis and planning. The appropriateness of policies and services is proven experientially, not predictively. Contrary to traditional policy planning and service design, where there can be years between initiation and evaluation, and therefore many missed opportunities, wasted public resources, angry citizens, etc., public service innovation is using much shorter cycles of design, development, testing and evaluations (inspired by the software and applications design cycles from Silicon Valley) and therefore has a much higher tolerance of failure. NESTA, in a typical design cycle, proceeds along the following steps: **Prompts** (obvious bottlenecks or new opportunities) – **Proposals** (ideation of possible solutions) – **Prototypes** (rough designs of possible solutions for testing – if one prototype fails another is tried) - **Sustaining** (create environment for implementation and implement) – **Scaling** (rolling out of successful solutions across the whole sector).

The influence of technological innovation and disruption on public sector innovation is not limited to human-centred, short, safe-to-fail cycles. Public service innovation is in deep symbiosis with technological advances and, contrary to more traditional public administration and public service systems, it explores the possibilities, opportunities and potential of technology for the public good far beyond simplification of administrative processes and other efficiency concerns internal to bureaucracies. The existence of a sophisticated technological infrastructure is a starting point for public service innovation, not its endgame (bad offline services usually translate in bad online varieties). Public service innovation actively explores new citizen-oriented applications of artificial intelligence, blockchain, 3D printing, quantum computing, the Internet of Everything, Big Data, etc.

Last but not least, successful public sector innovation has a dedicated mandate, infrastructure, methods, human capacities and a broad network in larger society. Public service innovation efforts are often anchored and institutionalised in 'labs' that have the mandate and real power (often through high-level champion in the higher structures of government) to affect real change and innovation throughout the entire public administration, thereby driving more systemic and transformative change. Many of these 'labs' originated in marginal IT or R&D departments of certain line ministries and have been lifted out of obscurity by high-level government officials convinced of the urgent need for change and innovation. Their 'historic' origin often explain their current focus (on IT solutions, on behavioural change, on training, on foresight, etc.), which is a path dependency that is not generalisable to other contexts.

Bahrain public service currently misses such an institutionalised infrastructure for public sector innovation, in which tailored innovation methods and approaches can be developed; the innovative capacities of public servants can be strengthened; ideation and prototyping of innovative services can be located, showcased and promoted; on-the-horizon public and public service issues can be explored, researched, discussed and integrated in the public innovation framework, and; a network with private and social sector partners can be established. This institutional capacity gap needs to be filled to ensure that the Bahrain public service will be fit for purpose in the 21st Century.

II.   STRATEGY

Theory of Change

The logic of the Bahrain Public Administration Innovation Lab (PAIL) Project is based on the premise that the ambitious aims of Bahrain Economic Vision 2030 and the 2030 Sustainable Development Agenda have to be realized in a complex, unpredictable and volatile environment in which large global forces such as technological innovation, climate change, growing networks of mobile trade, finance and people, demographic imbalances, shifting geopolitics and changing security paradigms, etc., are creating, on their own and in interaction, unprecedented development realities with totally new opportunities and challenges. The (European) administrative, public service and

development blueprints of the 19th and 20th have proven insufficient to deal effectively with these complex challenges and opportunities and to respond to the demand to do 'more' with less resources. Traditional (wholesale) reform initiatives have produced disappointing results in the developed and developing world. Therefore, not only the achievement of the highly ambitious visions of Bahrain Vision 2030 and the SDGs are at risk; popular trust in the capacity of public institutions to deliver on the promises of inclusive and sustainable development is rapidly declining, creating new issues of legitimacy and stability.

Bahrain Vision 2030, the Government Programme of Action, and Government Framework, the three major national strategic documents that shape the Government of Bahrain policy for the coming years, is well aware of the importance of a high performing public sector (that is, a public sector responsive and adaptive to a changing environment) to achieve its aims and therefore continues, by making government performance one of its six strategic goals, to address challenges related to public administration efficiency. The Government of Bahrain is also fully committed to the SDGs: Bahrain played an important role in the 2030 Sustainable Development Agenda process and proceeded quickly to align national plans, strategic frameworks and policies to the Sustainable Development Goals (SDGs), adding additional pressure to its public sector. UNDP has pledged to support the Government's effort to improve public sector performance and has incorporated this support in its Country Programme Document (CPD) as **OUTCOME 2: Bahraini institutions and programmes are effective, responsive and accountable in line with international standards and practices** and specifically **Output 2.1. Capacity of public administration developed on policy making, government performance, managing change, innovation and using international practice.**

An important emerging 'international good practice' in the transformation of 21st century public sector is the introduction of 'public service innovation labs' (PSIL). PSILs are powerfully mandated organisational, policy and service innovation ecosystems with a training, facilitation, showcasing and/or think tank function. They typically operate at the edges (structurally) of public sector organisations and often function as a bridge to more innovative forces in the private and social sector. They incorporate technological innovation in public service design (apps, Artificial Intelligence) and increasingly in policy formulation (Big Data, blockchain) and more thorough redesign of public service organisations. PSILs have been successful around the world in solving complex development issues which previously eluded more traditional public service organisations, by harnessing technology, collective intelligence and co-implementation.

[Building on Existing Partnerships and Programs]

UNDP and the Public Institute of Administration (BIPA) therefore propose to establish a similar Public Administration Innovation Lab (PAIL) infrastructure at BIPA to further the strategic objectives mentioned above, especially in relation to the achievements of the SDGs. A key framework for the collaboration between BIPA and UNDP on public administration innovation for SDG implementation is provided by the Statement of Intent *"to enhance our development activities in raising awareness on and promoting the achievement of the Sustainable Development Goals (SDGs), through the integration of these goals into the training courses and materials provided by BIPA to public staff."* More specifically, the proposed program will build on the existing BIPA-UNDP collaboration on the **National Leadership Development Program ("Nockbah Program")** provides an opportunity to extend the partnership to the **4 Kawader – Innovative Government Performance** and **5 Qeyadat – Competetive Visionary Thinking** components.

(The close connection between public sector innovation and SDG achievement will be further explored in the Methodology Training Components of the proposed Lab – see below - , while the innovation initiatives to which the training gives rise can be developed in the context of the NLDP 4 Kawader and the foresight initiatives in the NLDP 5 Qeyadat – see below.)

[Value added by Proposed Partners]

UNDP is well placed to provide support in public sector innovation in Bahrain. In the preceding six years, starting with local initiatives in Eastern Europe and Central Asia, 'innovation' was incorporated in the Strategic Plan, a Global Innovation Facility established, and a network of regional innovation advisors employed. UNDP's Global Centre for Public Service Excellence has a dedicated pillar to public service innovation. In this period, UNDP established and collaborated with a vast network of

external innovation experts (such as NESTA, MindLab, Demos, Region27, Harvard and Stanford University, etc.) and supported many PSIL initiatives. 'Innovation' is the cornerstone of the new Strategic Plan. UNDP will leverage this extensive international network to nudge and nurture the development of Bahrain's PSIL.

BIPA "*works to improve government performance in the areas of policies and strategies, resource management, change management, and government services development through the development of skills, behaviour and knowledge based on learning and training; participation in the decision-making process through consultancy; problem solving by means of scientific research; building and developing capabilities through coaching and assessment.*" BIPA therefore has a powerful mandate and the basic outlay necessary for the four broad functions of the PAIL: training, facilitating, exhibiting and 'intelligence-gathering. BIPA has an extensive network in the Bahrain public sector and a strong, evidence-based, understanding of existing and needed organisational capacities for innovation, which will enable the new PAIL to quickly identify opportunities for collaborative policy and service innovation.

BIPA, given its unique position in the Bahrain government-bureaucratic landscape, its close connection with the MENAPAR Institute, its rich experience and network with public sector leaders, is well-placed to navigate some of the risks associated with the introduction of innovative approaches in the public sector. Public sector organisations are not well-known for their capacity to change. Although individual capacity or resistance to change is usually emphasised, most reasons are structural. Many bureaucracies have an underlying structure that disincentives experimentation, learning, responsibility, innovation and the inevitable occasional failure. BIPA can help the new PAIL to navigate these underlying currents.

Another risk is the idea that technological innovation, in and by itself, will solve all policy and service problems ('tech fetishism'). Technology, however, is just a means to an end, and humans decide on the ends. Technology can be frustrating, disempowering and severely lacking empathy. Policy and service redesign, in human-centred innovation, starts and ends with the citizen. Governments in GCC, including Bahrain government, are trying to the right balance between investing in technological and non-technological innovation. Availability of resources and the desire to stay "ahead of the curve" appear to induce large investments in technology, as in the case of IGA. Experience in developed countries however suggests that technology investments require parallel investing in individual and personal capacities to remain effective over time. Since internal capacity build-up is accelerating in Bahrain, non-technological innovation patterns merit further analysis. Currently, there is no any offer, neither training programs nor advisory services for Public Sector Innovation in Bahrain. BIPA is uniquely well positioned, in terms of experience, networks and infrastructure, to meet this challenge[10], while UNDP, with its local and global experience in *human* development, has a significant competitive advantage in effectively mobilising policy and service *recipients* for the co-design innovation requires.

There will therefore be a clear difference in the mandate of the proposed PAIL by BIPA and the mandate of the Information e-Government Authority (IGA). While IGA is responsible for integrating and mainstreaming the best usage of technology in the public service organization, BIPA's PAIL, in keeping with its original mandate, will focus on the *human* aspect of public service innovation; public service human resource development, co-design with non-state actors, enhancing citizens' service experiences, research of future public service needs and circumstances, etc. BIPA's PAIL will be at the front-end of service delivery and not concern itself too much with back-office automation processes. Technology might play a role in its innovation efforts, as it will in all future public service design and delivery, but only in a secondary, enabling role and, when needed, in collaboration with IGA.

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[10] In 2013 BIPA conducted a market survey in order to assess the consulting and research capacities and needs in the national public sector. The survey was responded by 63 participants representing 26 institutions. Results draw some statistical trends that BIPA can use to prioritize the development of its services, as well as detailed expectations BIPA can respond to by directly contacting specific institutions with a tailored proposal. Among the most salient results, 85% of the participating institutions indicate having a consulting capacity of some sort but, 57% of the responding institutions indicate that they still need support in strengthening their consulting capacity. Participating institutions indicate that they commonly use external consulting support2. Surprisingly, in terms of consulting support, Public Sector Innovation comes on the top of the service areas that are most frequently needed regard followed by L&D Capacity Building, TNA Capacity Building, Strategic Planning, Performance Management, Knowledge Management, and L&D Assessment.

[The Proposed Intervention]

The proposed PAIL by BIPA will be a physical infrastructure that will have four broad functions: 1) a *learning* space on the principles, approaches, practices, methods, leadership and implementation of public sector (policy and service) innovation for Bahrain public servants and external stakeholders; 2) a *facilitation* space for horizon-scanning, trend analysis and cross-sector impact, public problem solving, new policy formulation, public service design, etc., applying innovative approaches such as foresight, system change dynamics, behavioural insights, design-thinking, human-centred co-design, Big Data analysis, ethnographic research and journeys, Government Jams, etc.; 3) an *exhibition* space for public sector innovation, showcasing successful innovations in policy and services in Bahrain, prototypes of new disruptive ideas that have not been implemented or scaled-up, and exciting examples from public sector innovation elsewhere, and; 4) an **'intelligence-gathering'** space where applied research will be conducted on issues impacting the public service (as an organisation) in the future, on future trends and developments that will require new types of policies and that will enable new types of services and service delivery, and on practical examples of public service innovation approaches and products. In reality, these functions ('spaces') will overlap greatly (see 'activities').

A crucial characteristic of the PAIL at BIPA will be the broad participatory and citizen-oriented approach; as in BIPA's learning and development methodology, Bahrain public servants will not only be encouraged but also learn the skills and benefits of ex tensive collaboration with the private and social sector on an equal basis. From the beginning, there will be an emphasis on the participation of vulnerable and marginalised groups (thereby addressing the crucial SDG challenge of *'leaving no one behind'*). The PAIL will make a conscious effort to continuously reach out to women, youth and elderly citizens and have them participate in co-design sessions for policies and services that impact them. This 'collective intelligence' will be harnessed to conduct research in possible and probable public service futures; to identify new and non-traditional opportunities for policy and service design; to finding innovative solutions to old and new public problems, and, crucially; to re-establish trust of the citizens in the public sector as an equal, responsive, deliberative and innovative partner.

The PAIL will be set up as a start-up, with a dedicated core staff and based on the premises of BIPA. From the beginning, it will draw in the required additional expertise on an ad-hoc from the private and social sector in Bahrain, supplemented, when necessary, with ad-hoc international expertise. The start-up construction allows the PAIL to demonstrate proof of concept and compete, to a certain degree, in the broader market for ideas, products and services. The emphasis in **Year 1** will be on building the necessary human, physical and methodological infrastructure. The focus of **Year 2** will be on concrete, 'frontline' output in the shape of innovative strategies, policies, services and service delivery methods and less on 'backdoor' processes, structures or internal bureaucratic efficiency concerns.

III.   RESULTS AND PARTNERSHIPS

Expected Results

The project aim (outcome) is:
to contribute to the strengthened capacity of Bahrain public service to implement the strategic development priorities of the government, as laid out in Bahrain Vision 2030 and the SDGs, and to respond to the evolving nature of society and the rising demand of its citizenry and private sector for quality service (delivery) in an effective, responsive and innovative manner in line with international standards and practices.

The project will contribute to UNDP CPD Output 2.1 *Capacity of public administration developed on policy making, government performance, managing change, innovation and using international practice, which is part of Outcome 2: Bahraini institutions and programmes are effective, responsive and accountable in line with international standards and practices.* Outcome 2 is aligned with the National Goal: *Bahrain aspires to shift from an economy built on oil wealth to a productive, globally*

competitive economy, shaped by the Government and driven by a pioneering private sector – an economy that raises a broad middle-class of Bahrainis who enjoy good living standards through increased productivity and high-wage jobs and UNDP's Strategic Plan Outcome *Countries have strengthened institutions to progressively deliver universal access to basic services.*

Expected Outputs

The following concrete changes will be attributable to the two-year project:

Output 1: An operational Public Administration Innovation Lab has been established by and at BIPA which initiates, facilitates, leads and promotes innovative policy and service (delivery) solutions that are future-oriented, human-centred, technology-driven, and responsive to evolving needs and demands of governments, citizens and the private sector.

- **Output 1.1:** A physical infrastructure equipped with human resources and innovation tools and facilities will be established that will enable the four key function of the Public Sector Innovation Lab (learning, facilitation, exhibition and 'intelligence-gathering').

- **Output 1.2:** In addition to PAIL staff, 18 officers from 9 selected Ministries/Departments/Agencies will have acquired the necessary knowledge on Public Sector Innovation (principles, approaches and methods) and the necessary skills to facilitate innovation sessions.

- **Output 1.3:** (Year 2) Two 'Big Ticket' cross-sector public sector innovations will be initiated; four 'back-office' and eight 'front-office' innovations (departmental), of which at least six will be scaled up, will be facilitated, and; four one-day 'public service hackathon' sessions (tri-monthly) with broad participation from the private and social sector will be conducted.

- **Output 1.4:** An active innovation communication and advocacy strategy is in place, consisting of the establishment of a permanent interactive exhibition space of examples of public sector innovation from Bahrain and around the world; the establishment of an Innovation Month for the Bahrain Public Service, and; Special Events, such as Innovation Leader Discussions, presentations by relevant foreign experts, etc.

- **Output 1.5:** (Year 2) Three 'Intelligence-gathering' papers on the 'future of the public service', including opportunities and challenges for public sector innovation, will be published, launched at the Bahrain PS Innovation Month and discussed at high-level panel.

Year 1 will focus on the acquirement of the necessary physical, human and methodological resources. **Year 2** will be devoted to putting these resources into action to produce tangible public administration innovation. Communication and advocacy are key components of both Year 1 and Year 2.

Year 1 will see the following activities (For a detailed description of **activities**, see Annex A):

1. Establishment physical infrastructure for PAIL at BIPA premises (Q1)
2. Formation of core PAIL team (Q1)
3. Research and Collect Innovation Tools, Methods and Approaches (Q1, Q2)
4. Development of Communication and Advocacy Strategy (Q1, Q2)
5. Selection of 9 pilot ministries/agencies/departments (Q2)
6. Selection of 18 'innovation officers' (training of trainers) from these 9 pilot agencies etc. (Q2)
7. 4 Methodology Training Workshops for PAIL staff, 'innovation officers' and Kawader – Innovative Government Performance participants (Q3)

8. **2** Foresight Training Workshops for PAIL staff, 'innovation officers' and Qeyadat – Competetive Visionary Thinking participants (Q3)
9. 4 Innovation Experimentation Workshops (3 on innovation methods, 1 on foresight) for PAIL staff, 'innovation officers', Kawader – Innovative Government Performance participants and Qeyadat – Competetive Visionary Thinking participants (Q4)
10. 2 Study Tours to Internationally renowned PSIL (Q3, Q4)
11. Organise Bahrain Public Administration Innovation Day (Q4)

Year 2 will include the following activities (For a detailed description of **activities**, see Annex A):

1. Initiate two multisector public sector innovations (1st Q1-2, 2nd Q3-4)
2. Co-design 12 policy and service (delivery) innovations at 9 pilot agencies (Q1, Q2, Q3, Q4)
3. Organize 4 public service 'hackatons'[11] (Q1, Q2, Q3, Q4)
4. Establish Exhibition Space (Q1)
5. Organise 2 Innovation Leadership Discussions for Qeyadat – Competetive Visionary Thinking participants (1st Q1-2, 2nd Q3-4)
6. Identify three Big Issues impacting the Bahrain Public Sector in the future (Q1)
7. Publication of three Big Issues Foresight Report (Q4)
8. Organise Bahrain Public Administration Innovation Day (Q4)

Implementation Timeline

Activities	Year 1				Year 2			
Establishment physical infrastructure for PAIL at BIPA premises	▓							
Formation of core PAIL team	▓							
Research and Collect Innovation Tools, Methods and Approaches	▓	▓						
Development of Communication and Advocacy Strategy	▓							
Selection of 9 pilot ministries/agencies/departments		▓						
Selection of 18 'innovation officers' (training of trainers) from these 9 pilot agencies etc.		▓						
4 Methodology Training Workshops for PAIL staff, 'innovation officers' and Kawader – Innovative Government Performance participants			▓					
2 Foresight Training Workshops for PAIL staff, 'innovation officers' and Qeyadat – Competetive Visionary Thinking participants			▓					
4 Innovation Experimentation Workshops (3 on innovation methods, 1 on foresight) for PAIL staff, 'innovation officers', Kawader – Innovative Government Performance participants and Qeyadat – Competetive Visionary Thinking participants				▓				
2 Study Tours to Internationally renowned PSIL				▓				
Organise Bahrain Public Administration Innovation Day				▓				
Initiate two multisector public sector innovations					▓	▓	▓	▓
Co-design 12 policy and service (delivery) innovations at 9 pilot agencies					▓	▓	▓	▓
Organize 4 public service 'hackatons'					▓	▓	▓	▓
Establish Exhibition Space					▓			

[11] An event, usually lasting several days, in which a large number of people meet to engage in collaborative public service design, with an emphasis on apps development. 'Hackathon' is prominent public service innovation methods.

Organise 2 Innovation Leadership Discussions for Qeyadat – Competetive Visionary Thinking participants								
Identify three Big Issues impacting the Bahrain Public Sector in the future								
Publication of three Big Issues Foresight Report								
Organise Bahrain Public Administration Innovation Day								

Resources Required to Achieve the Expected Results

Utilizing the proposed resources will enable BIPA to initiate its public administration innovation lab making best use of UNDP's experience and network that could bring about some international best practices. The suggested resources will provide the necessary expertise and knowledge to bring together a range of innovative tools, methodologies, practices and efforts to change and innovate key elements of the public administration and public service, and therefore tackle the main development challenge identified above.

The suggested cost assumes that BIPA will provide the space and equipment of a physical space for the innovation lab, and UN/UNDP international experts will be hired to work closely with BIPA, and find the most suitable way to implement, monitor and report on the recommendations extracted from different consultancies, workshops, seminars and other relevant functions. Experts hired are expected to be individuals with vast experience in this field public innovation labs or relevant fields.

Partnerships

The project will be part of UNDP's support to BIPA to support the achievement of the national goals and CPD outcomes mentioned above. Apart from these obvious partners, UNDP will leverage its extensive international public sector innovation network and experience through the Innovation Advisor at UNDP Regional Service Center Arab States.

Risk and Assumptions

The key assumption is that there is high-level support for public service innovation, but that this type of support is often not sufficient to carry the project. Governments, politicians, citizens and entrepreneurs are often impatient with public service transformation and lose interest very quickly. The solution is to build a broad support network with different constituencies.

There will also be resistance to establish yet another department on a permanent basis and a reluctance to allocate sufficient funds to a promising but untested approach. Insufficient funding can be a real threat to an ambitious project like this. The solution will be to take a 'start-up' approach aimed at quick proof of concept (and benefits) and quickly establish additional stream of revenues.

Stakeholder Engagement

The proposed PAIL will be based on extensive collaboration with service stakeholders (citizens, private sector, etc.), as elaborated in the Theory of Change and the description of the Results and Outputs (above). A crucial characteristic of the PAIL at BIPA will be the broad participatory approach; Bahrain public servants will not only be encouraged but also learn the skills and benefits of collaborating extensively with the private and social sector on an equal basis. From the beginning, there will be an emphasis on the participation of vulnerable and marginalised groups. The PAIL will make a conscious effort to continuously reach out to women, youth and elderly citizens and have them participate in co-design sessions for policies and services that impact them. This 'collective intelligence' will be harnessed to conduct research in possible and probable public service futures; to identify new and non-traditional opportunities for policy and service design; to finding innovative solutions to old and new public problems, and, crucially; to re-establish trust of the citizens in the public sector as an equal, responsive, deliberative and innovative partner.

South-South and Triangular Cooperation (SSC/TrC)

The Team Leader, two relevant members of the project team and one government innovation champion will go on three study visits to carefully selected examples of 'international practice' in PAIL (four study visits in total). The study visits in Year 1 will be to **Georgia** (among other, the ServiceLab of the Public Service Development Agency and other line ministry innovation units) and **South Africa** (Center of Public Service Innovation) – two examples of PAIL securely and successfully anchored in government structures, with a wealth of tried and tested innovation approaches and methods to study. In Year 2, the Bahrain PAIL will pay a study visit to **Singapore**, one of the pioneers of integrated 'citizens service-journeys', to ideate on next generation concepts and methods of public service design innovation.
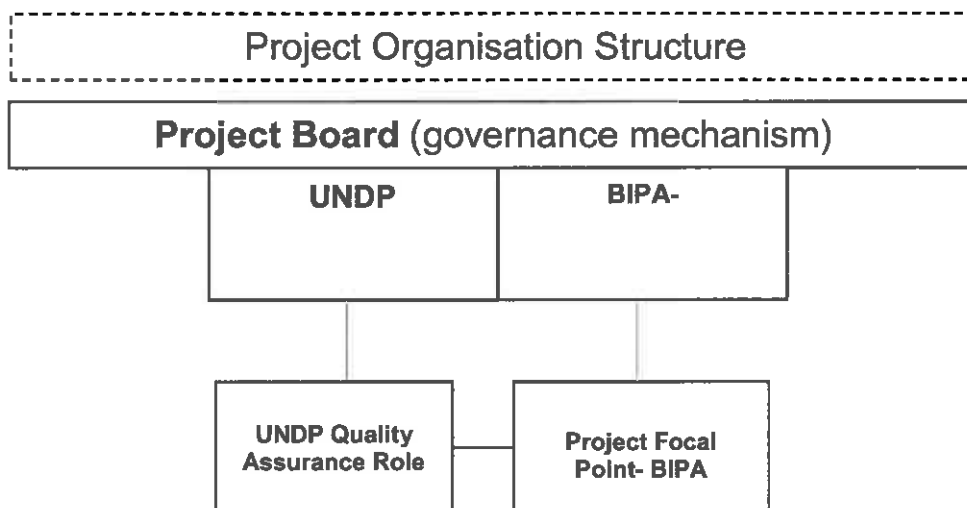
Knowledge

See the above.

Sustainability and Scaling Up

See the above

IV.   GOVERNANCE AND MANAGEMENT ARRANGEMENTS

UNDP will provide full support to National Implementation (NIM), and will be implemented by the BAHrain Institute for Public Admintation (BIPA).

1- **Project Board** will be comprised of the BIPA's Director General, government project focal point, A UNDP Representative and a Government of Bahrain Representative (MoFA), and other relevant government senior officials nominated from some entities involved or eager to be involved in public administration innovation endeavour. The purpose of the Project Board will be to review and commit to carry out the proposed activities of this Project; approve Work Plans; review/endorse substantive revisions to the Project and work plan; and receive the final report. The board will have a minimum of three meetings during the period of the project implmnetation over 2 years.

2- **UNDP** will be the project managing agency responsible for the administration of funds and procurement of services and goods. UNDP will also be responsible for the preparation of financial reports and undertaking financial audit as per UN rules and regulations.

Project Management

BIPA and UNDP have agreed to cost-share the funding required for this project on a 50-50 basis.

In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the contribution payment to the project is subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To these GMS costs, the contribution shall be charged a fee equal to 3%. Project implementation and implementation support services that are provided by UNDP country office staff members including services related to finance, procurement, human resources, administration, issuance of contracts, travel will be done in close consultation between the BIPA and UNDP's assigned focal points. The Project focal point will submit required reports to the chairs of Project Board, and will submit the annual work plan and progress reports to the Project Board for approval.

The Project focal point will prepare progress reports and submit them to each Project Board meeting using the UNDP Project Progress Report format. Results-based Monitoring and Evaluation mechanisms will be utilized. All financial reports and Combined Delivery Reports required under the Project will be prepared as per UNDP's procedures. The Project focal point will work closely with the international expert and other consultants as well as other stakeholders on the implementation of project activities.

V. RESULTS FRAMEWORK

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:

Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets: Bahraini institutions and programmes are effective, responsive and accountable in line with international standards and practices

Applicable Output(s) from the UNDP Strategic Plan: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded

Project title and Atlas Project Number:

EXPECTED OUTPUTS	OUTPUT INDICATORS[12]	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year ...	FINAL	
Output 1 An operational Public Administration Lab has been established at which BIPA initiates, facilitates, leads and promotes innovative policy and service (delivery) solutions that are future-oriented, human-centred, technology-driven, and responsive to	*1.1 A physical infrastructure equipped with human resources and innovation tools and facilities will be established that will enable the four key function of the Public Sector Innovation Lab (learning, facilitation, exhibition and 'intelligence-gathering')*		Does not exist	2019	Does exist	Does exist				Does exist	
	1.2 In addition to PAIL staff, 18 officers from 9 selected Ministries/Departments/Agencies will have acquired the necessary knowledge on Public Sector Innovation (principles, approaches and methods) and the necessary skills to facilitate innovation sessions.		0	2018	18	idem				18	
	1.3 Two 'Big Ticket' cross-sector public sector innovations (two per year) will be initiated; 8 'back-office' and 16 'front-office' innovations (departmental), of which at least 12 will be scaled up, will be facilitated, and; eight one-day 'public service		0	2018	-	2 BT 12 innovat ions 4 Hackat ons				2 BT 12 Innovat ions 4 Hackat ons	

12 It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

evolving needs and demands of governments, citizens and the private sector.	hackatons[13] sessions (tri-monthly) with broad participation from the private and social sector will be conducted.					
	1.4 An active innovation communication and advocacy strategy is in place, consisting of the establishment of a permanent interactive exhibition space of examples of public sector innovation from Bahrain and around the world; the establishment of an Innovation Month for the Bahrain Public Service, and; Special Events, such as Innovation Leader Discussions, presentations by relevant foreign experts.	Does not exist	2018	exist	exist	exist
	1.5 Three 'Intelligence-gathering' papers on the 'future of the public service', including opportunities and challenges for public sector innovation, will be published (three per year), launched at the Bahrain PS Innovation Month and discussed at high-level panel.	0	2018	-	3	3

13 An event, usually lasting several days, in which a large number of people meet to engage in collaborative public service design, with an emphasis on apps development. 'Hackathon' is prominent public service innovation methods.

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		

| Project Report | A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period. | Annually, and at the end of the project (final report) | |
| Project Review (Project Board) | The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | Specify frequency (i.e., at least annually) | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. | |

Evaluation Plan[14]

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
e.g., Final Evaluation	BIPA / UNDP			August 2020	BIPA	Project funds

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[14] Optional, if needed

VII. MULTI-YEAR WORK PLAN [15][16]

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3		Funding Source	Budget Description	Amount US$
Output 1 *An operational Public Sector Innovation Lab has been established at BIPA which initiates, facilitates, leads and promotes innovative policy and service (delivery) solutions that are future-oriented, human-centred, technology-driven, and responsive to evolving needs and demands of governments, citizens and the private sector.*	1.1.1 Setting up physical space for PAIL	x			BIPA/UNDP	BIPA/MOF	International consultants Project personnel	30,000
	1.1.2 Formation of core PAIL team		x					
	1.1.3 Collect Innovation Tools and Approaches							
	1.1.4 Study visits to International 'good practice' PAIL							
	1.2.1 Selection 9 pilot ministries/departments/agency	x	x		BIPA/UNDP	BIPA/MOF	International consultants, workshop/s, national consultanst	50,000
	1.2.2 Selection of 18 'internal' Innovation officers							
	1.2.3 Capacity development of PAIL staff and 'Internal Innovation officers' groups							
	1.3.1 Initiate two 'Big Ticket' public sector innovations	X	X		BIPA/UNDP	BIPA/MOF	International experts	30,000
	1.3.2 Co-design 12 policy and service (delivery) innovations at 9 pilot agencies							
	1.3.3 Organize 4 public service 'hackatons'							

Activity					Budget
1.4.1 Develop Communication and Advocacy strategy					25,000
1.4.2 Establish Exhibition Space	X	X	BIPA/UNDP	BIPA/MOF	Internationa experts
1.4.3 Establish and organise the Bahrain Public Service Innovation Month					
1.4.4 Organise Innovation Leadership Discussions					
1.5.1 Establish foresight capacity	X	X	BIPA/UNDP	BIPA/MOF	National consultant/firm
1.5.2 Identify three Big Issues impacting the Bahrain Public Sector in the future					10,000
1.5.3 Publication of three Big Issues Foresight Report					
MONITORING					
EVALUATION (as relevant)					5,200
General Management Support					4,800
TOTAL					160,000

VIII. LEGAL CONTEXT AND RISK MANAGEMENT

LEGAL CONTEXT STANDARD CLAUSES
Where the country has signed the Standard Basic Assistance Agreement (SBAA)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Bahrain and UNDP, signed on August 3, 1978. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This Project will be implemented by the BIPA ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply

RISK MANAGEMENT STANDARD CLAUSES

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
   a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
   b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document [and the Project Cooperation Agreement between UNDP and the Implementing Partner][17].

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.

4. Consistent with UNDP's Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

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[17] Use bracketed text only when IP is an NGO/IGO

7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

IX. ANNEXES

1. Activities (on Output level)
2. UNDP/ BIPA Letter of Agreement for Support Services
3. Agreement for Fund Management and Administration (Cost Sharing)
4. Risk Analysis.
5. Project Board Terms of Reference and TORs of key management positions (To be prepared after signature)

ANNEX A

Activities

Output 1.1 will be achieved with the following **activities** (for a detailed description, see Annex A):

1. **Setting up physical space for PAIL**
    Draw up a special and inventory plan for the lab. Identify and allocate a physical space at the BIPA premises or other government facility, consisting of one lecture room, one large 'playroom', several smaller break-out rooms, one large exhibition room, and some space for staff (no large offices will be required because staff will be active most of the time in the other rooms). All rooms will be equipped with state-of-the-art IT and digital equipment. The 'playroom' will need a vast outlay of offline design facilities. The exhibition room needs tv and touch screens.

2. **Formation of core PAIL team**
    Draft Job Descriptions (JD) for the PAIL core team: 1 Team Leader/Coordinator, 1 Data Officer, 1 Policy Officer, 1 Research Officer, 1 Exhibition Curator, 1 Lab Facilitator and (initially) 1 External Expert. JD should be left broad and flexible, with an emphasis on key competencies such as 'innovative', 'pro-active', 'entrepreneurial', 'in possession of large network in public, private and/or social sector', 'engaging', etc. Special care should be taken in recruitment of the best individuals. The External Expert is a temporary addition to the core team (see below) who involvement is limited to the first year, with an emphasis on the first three months.

3. **Collect Innovation Tools and Approaches**
    The External Expert will be responsible for collecting a broad range of tools and approaches used in public service innovation and tailor them for use in the innovation activities below (a useful repository of tools and approaches can be found on the OECD-OPSI Curated Innovation Toolkits website: https://airtable.com/shr5ihDeNVvgehAi6/tbl1tMziqEn94ldHw). Since it is not possible to determine by research alone which (blend of) tools and approaches is most useful for the Bahrain PAIL, it is suggested that the innovation activities use and evaluate as many approaches and tools as possible in real-life applications and let a 'typical' Bahrain PAIL 'innovation brand' slowly emerge.

4. **Study visits to international 'good practice' PAIL**
    The Team Leader, two relevant members of the project team and one government innovation champion will go on three study visits to carefully selected examples of 'international practice' in PAIL (four study visits in total). The study visits in Year 1 will be to **Georgia** (among other, the ServiceLab of the Public Service Development Agency and other line ministry innovation units) and **South Africa** (Center of Public Service Innovation) – two examples of PAIL securely and successfully anchored in government structures, with a wealth of tried and tested innovation approaches and methods to study. In Year 2, the Bahrain PAIL will pay a study visit to **Singapore**, one of the pioneers of integrated 'citizens service-journeys', to ideate on next generation concepts and methods of public service design innovation.

Output 1.2 will be achieved with the following **activities**:

1. **Selection 9 pilot ministries/departments/agency**
    Draft criteria for selection of pilot ministries/departments/agency to build 'local' innovation capacity and start with policy and service (delivery) innovation. In total 9 ministries/departments will be selected for the project. The majority of selected ministries/departments will have an emphasis on 'front-end' service delivery, while the remaining ministries/departments should have an enabling function for the same purpose. 'Back-office' ministries/departments should be considered at a later stage and/or in the 'Big Ticket' innovation events. Other important criteria are current innovation leadership, urgency of innovation and immediate opportunities for innovation at ministries/departments.

2. **Selection of 18 'internal innovation officers'[18]**
   Draft detailed profile of 'internal innovation officers' group' per ministries/departments/agency. On the basis of this profile, each selected ministries/departments will be asked to nominate THREE staff members who will champion, ideate, drive, facilitate and scale up innovation at the ministries/departments. In Year 1, the first group of internal innovation officers will be six groups of three such officers (18 in total). In Year 2 the newly selected ministries/departments will do the same. Each ministry/department/agency group should be broadly representative of the major activities of that ministries/departments/agency. The group capacity formula will encourage support to and sustainability of innovation efforts, while also providing a model for quick networking, identification of innovation opportunities and ideation.

3. **Capacity development of PAIL staff and 'internal innovation officers' groups**
   Draft the terms of references of an 'apprentice' type of capacity development trajectory. In Year 1 the External Expert will design and organise a three-day innovation 'boot camp', where PAIL staff and the 18 internal innovation officers will be introduced to the concepts and practices of public service innovation and apply some of its methods (STEP 1). This core group of innovation facilitation apprentices will first participate (STEP 2) and then assist, in increasing degree of responsibility (STEP 3), the external expert and the Bahrain PAIL Facilitator in the facilitation of the innovation sessions. The 'apprentices' will then be encouraged and mentored to organise and facilitate their own innovation activities for their respective ministries/departments/agencies at Bahrain PAIL premises (STEP 4).

Output 1.3 will be achieved with the following **activities:**

(One of the more significant challenges of public service innovation is the identification of realistic innovation opportunities and feasible entry points. Usually, there is no shortage of suggestions and opinions where there is room for improvement. However, views on the nature of these problems vary greatly, and therefore also the proposed solutions. When the 'needs analysis' is done internally, 'innovative' solutions are usually efficiency tweaks in back office processes that satisfy governments – if it drives down costs - and bureaucracies – if it means less work -, but that produce little or no front-office service improvements for clients. Internally driven innovation also tends to reaffirm bureaucratic divisions – each department 'innovates' its own services and processes – while those divisions might be at the very heart of citizens' frustration with bad policy and service (delivery). In the case of the introduction of new technologies, such as technical infrastructures for eGovernment, more often than not what is technically possible instead of what citizens need and demand drives 'innovation' – a classic example of the tail wagging the dog.

For Output 3 – Policy and Service (Delivery) Innovation Products – to be successful, a more multipronged and multidimensional approach to identifying feasible and realistic entry points for innovation is required. Output 3 will make full use of 'collective intelligence'. The innovation design activities given below each uses a different approach. It has proven crucial in international 'good practice' to follow these non-traditional 'needs-assessment pathways' for public sector innovation to be successful.)

1. **Initiate two 'Big Ticket' public sector innovations**
   'Big Ticket' public sector innovations are high visibility innovation products that, on the one hand, aim to solve complex policy or service (delivery) problems and, on the other hand, convince large groups of stakeholders (government, citizens, private sector) of the validity of public service innovation. They usually concern cross-sector policy or service (delivery) issues and involve several ministries/departments/agencies. They also require active high-level support and championship. Bahrain PAIL will tackle two 'Big Tickets' items in Year 2. The two 'Big Tickets' innovations will concern a collective service design based on a new piece of high-profile legislation in which several ministries/departments/agencies and citizens will be involved.

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[18] The selection, training and deployment of this group of 'internal innovation officers' is similar to classical training of trainer's pathways. As such, this group will be the vanguard of the PSIL to implement concrete innovation projects, while in the process educating their colleagues in the techniques and attitudes of public service innovation ('action learning'). This would allow BIPA to, on the one hand, train a progressive number of public servants in public service innovation, and, on the other, have a necessary amount of control and/or influence on the translation of new skills in concrete results (concrete results, not numbers trained, will be the key measure of success of PSIL).

2. **Co-design 12 policy and service (delivery) innovations at 9 pilot agencies**
   The group of internal innovation officers, after the innovation introduction workshops in Year 1, will, in Year 2, under the mentorship of the External Expert and the Bahrain PAIL Facilitator, employ new techniques with their departmental colleagues *to screen policy and service portfolios* for innovation potential. Based on this portfolio screening, lists of innovation opportunities will be compiled per team, whereupon Bahrain PAIL will organise a series of *'innovation design labs'* for the teams, interested departmental colleagues and representatives of the private and social sector. These Design Teams will select a limited number of issues to work on. It is the intention that these innovations move from relatively simple 'touch point' (where the public and the private and social sector interact) intervention to 'end-to-end service journeys' (a more comprehensive approach to citizens service experiences). It is important to note that internal innovation officer, Design Teams and Bahrain PAIL, if so inclined, should be able to repeat these design cycles for other topics on the list as well. The number of 12 innovations is a minimum. It is important, however, that at least 50% of these innovations are adopted and scaled up.

3. **Organize 4 public service 'hackatons'[19]**
   In Year 2, every three months a public service 'hackatons' will be organised and facilitated at the premises of Bahrain PAIL. The explicit purpose of these 'hackatons' is to draw in the private and social sector as equal partners in policy and service (delivery) innovation. 'Hackatons' will give end-users primacy in problem identification and solution-design, partnering with public officials in ideation, prototyping and, often, implementation. At the beginning of each year, four sector will be chosen, key areas for improvement identified, and a large group of policy beneficiaries, service end-users, private sector entrepreneurs, etc. invited for a high-profile, high-visibility one-day co-design event ('hackatons'). The 'hackatons' will be facilitated by (initially) the External Expert and then the PAIL Facilitator, with the group of internal innovation officers heavily involved with increasing responsibilities. The results and products of the 'hackatons' will be widely published and political support will be garnered to test the best prototypes at the relevant agencies.

Output 1.4 will be achieved with the following **activities:**

1. **Develop Communication and Advocacy strategy**
   Draft a communication and advocacy strategy, including different strategies for different stakeholders in the public innovation process. The strategy will emphasize the need to elicit sustained support for innovation from high-levels champions in the government, the broader citizenry and the public service itself. The communication and advocacy strategy builds a 'coalition for change'. The communication and advocacy strategy will use the 'work out loud' tactics of continuously updating stakeholders of 'work-in-progress' in order to evoke feedback and participation.

2. **Establish Exhibition Space**
   In order to make public service innovation tangible and to involve stakeholders in an interactive way in the activities of Bahrain PAIL, a large room of the PAIL premises (see above) will be used for the sole purpose of showcasing exemplary public service innovation (international examples are the Museum of the Future in Dubai and the Showcases at CPSI in South Africa). Examples from public service innovation to showcase can be successfully scaled up efforts by Bahrain PAIL, prototypes that still need testing and scaling up but that indicate exciting new directions of public service (delivery) and new ideas and services from international good practice. The 'exhibition' will be constantly updated. At least 50% of the exhibits will be interactive so that visitors can 'experience' the new service (delivery). Once a year, a special exhibition around one particular theme will be organised by the Exhibition Curator.

3. **Establish and organise the Bahrain Public Service Innovation Month**
   Annually, at a well-chosen time in the bureaucratic cycle, a Bahrain Public Service Innovation Month will be organised. The Innovation Month will consist of presentations, launches, lectures, discussions, exhibitions, award ceremonies, visits by foreign practitioners, and other events. The Innovation Month will be the most important activity on the Bahrain PAIL calendar and important

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[19] An event, usually lasting several days, in which a large number of people meet to engage in collaborative public service design, with an emphasis on apps development. 'Hackathon' is prominent public service innovation methods.

events will either be launched or culminate in this month. It will not only showcase the importance of public service innovation and the work of Bahrain PAIL to a wide audience but will offer individual public officials a platform to present and be rewarded for their innovative work. It will enable Bahrain PAIL to network with diverse groups in government, society and international good practice.

4. **Organise Innovation Leadership Discussions**
   The PAIL will organise, on a tri-monthly basis and in the context of the NLDP 5 Qeyadat stream, high-profile 'Ted Talks' on examples of public service innovation by international experts or practitioners for senior government officials (target group are the highest tiers of the public sector, department heads and the occasional minister). The aim of these Innovation Leadership Discussions is to broaden the network of high-level champions of PAIL' work, to generate new demand and resources and to expand the international network. Speakers to be invited are (former) senior government officials who have done *concrete* public service innovation (non-academic) in crucial sectors (such as Education, Health, etc.) and who are comfortable to discuss and deliberate in an engaging manner. It is important that the target group can relate to the speaker's experiences and freely discuss opportunities and challenges for public service innovation in Bahrain.

Output 1.5 will be achieved with the following **activities:**

1. **Establish foresight capacity**
   The External Expert will organise a workshop of the principles, methods and practice of strategic foresight for the PAIL Team, BIPA, MENAPAR (being the main repository of research for this purpose) and interested members of the public service and academics (PAIL Foresight Group). Copies of UNDP's Global Centre for Public Service Excellence (GCPSE) Foresight manual will be ordered.

2. **Identify three Big Issues impacting the Bahrain Public Sector in the future**
   The External Expert will organise a horizon-scanning and trendspotting exercise in each year of the project with PAIL Foresight Group. Over two years, three Big Issues (one in Year 1, two in Year 2) that will have a significant impact on Bahrain public sector will be identified and its future implications and impact will be explored, written down, discussed during the Innovation Month and used during the innovation sessions. Possible examples are "Artificial Intelligence and the role of the Human Public Official in the Future", "The Internet of Everything and the Future Urban Citizen in Bahrain", "The Role of Next Generation Tech in Health Provision", etc. The aim of these explorations is to identify emerging public service issues and to design policies and services that anticipate and adapt to these changes instead of reacting to it.

3. **Publication of three Big Issues Foresight Report**
   The results of the foresight deliberations will be published in a series of offline and online papers (for international good practice on the use of foresight report and public service innovation, see the myForesight Institute of Malaysia at the prime Minister's Office). These papers will be ready for and discussed during the Innovation Month, to generate new horizons and ideas about a transformative Bahrain public service.