



United Nations Development Programme
Country: Bahrain
Programme Document

Programme Title:	Support to Enhancing Institutional Capacity for Global Economic Environment and Governance
Expected CP Outcome(s): <i>(Those linked to the project and extracted from the CP)</i>	Enhanced environment for equitable, job creating and sustainable economic growth
Expected Output(s): <i>(Those that will result from the project)</i>	Enhanced Negotiation, application and implementation of World Trade Organisation (WTO) Doha Development Agenda (DDA), Free Trade Agreement (FTA) and Trade Policy Review outcomes Improved Procedures under WTO Trade Related Intellectual Property Rights (TRIPS) and World Intellectual Property Organisation (WIPO) agreements for Intellectual Property systems of registration Strengthened capacity of Bahrain in the implementation of the World Trade Organisation (WTO) Technical Barriers to Trade (TBT) Agreement
Executing Entity:	Ministry of Industry and Commerce
Implementing Agencies:	Ministry of Industry and Commerce

Brief Description

The Kingdom of Bahrain's economy is well equipped and competitive in several respects, including low taxation, openness to global trade, and financial market development. The government has focused on diversifying the economy in non-oil sectors, and the country is currently leading trade negotiations in the Gulf Cooperation Council (GCC) states to increase levels of freedom in business, monetary and financial areas.

This programme aims to enhance the institutional and technical capacities in order to improve the governance system and its efficiency, targeting the primary stakeholder, The Ministry of Industry and Commerce, followed by the private sector and other line institutions. The activities will support the creation of adequate national capacities for effective trade policy administration.

The following results are to be delivered by the programme:

- Enhanced Negotiation, application and implementation of World Trade Organisation (WTO) Doha Development Agenda (DDA), Free Trade Agreement (FTA) and Trade Policy Review outcomes
- Institutionalizing of procedures under World Intellectual Property Organisation (WIPO) agreements for Intellectual Property systems of registration are consistent with national objectives and international requirements
- Strengthened capacity of Bahrain in the implementation of the World Trade Organisation (WTO) Technical Barriers to Trade (TBT) Agreement

These results are expected to support the national capacities in effectively handling WTO negotiation rounds and FTA agreements, therefore increasing the integration of Bahrain in the global economy. This will support Bahrain's participation in global decision-making, in order to attract further international economic activity.

Programme Period:	2010 - 2013
Key Result Area (Strategic Plan):	Strengthening responsive governing institutions
Atlas Award ID:	00059750
Start date:	May 2010
End Date	May 2013
PAC Meeting Date	14 th April 2010
Management Arrangements	NIM

Total resources required	\$1,385,592
Total allocated resources:	\$1,385,592
GMS (3%)	\$ 41,568
• MoIC	\$ 713,580
• UNDP	\$ 713,580
Total budget:	\$1,427,160

Agreed by (Ministry of Industry and Commerce)

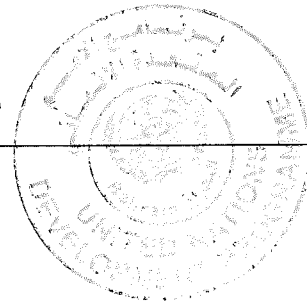
M. Fakhr

Date: 27th May 2010

Agreed by (UNDP):

[Signature]

Date: 27th May 2010



List of Abbreviations

BCCI	Bahrain Chamber of Commerce and Industry
BPD	Barrels Per Day
BSMD	Bahrain standards and Metrology Directorate
CSO	Civil Service Organisations
DDA	Doha Development Agenda,
DoFTR	Directorate of Foreign Trade
EU	European Union
FTA	Free Trade Agreement
GAFTA	Greater Arab Free Trade Area
GCC	Gulf Cooperation Council
HDR	Human Development Report
IP	Intellectual/Industrial Property
MoIC	Ministry of Industry and Commerce
NGO	Non-Governmental Organisation
PPR	Project Progress Reports
RTA	Regional Trade Agreement
SME	Small and Medium Sized Enterprises
TBT	Technical Barriers to Trade
TC	Technical Committee
TPR	Trade Policy Review
TRIPS	Trade Related Intellectual Property Rights
UNDP	United Nations Development Programme
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation

I. SITUATION ANALYSIS

Traditionally, international trade has played a key role in the Bahraini economic history. Today, international trade remains a leading economic activity in Bahrain. It represents a very high percentage of GDP.¹GDP in Bahrain is estimated at 28bn, far beyond the average of most developing countries, and many developed countries for that matter. Accordingly, Bahrain's trade policy and regulations have been geared towards free trade, and closer to trade liberalization and a market economy mechanism.

Moreover, Bahrain is determined to be a key player and an integral part of the global trading system. The Kingdom of Bahrain is a founding member of the World Trade Organization (WTO), the Gulf Cooperation Council (GCC), and the Greater Arab Free Trade Area (GAFTA). Bahrain has also successfully become the first to sign bilateral FTA with the United States, in the GCC region.

²In 2009 the volume of trade exchange between Bahrain and the UAE alone, topped USD \$2.45bn. ³The Free Trade Agreement (FTA) between Bahrain and the US gave a major push, with total trade exceeding \$1.34 billion. Bahrain produces around 35,000 barrels per day (bpd), with petroleum production and refining accounting for 60% of Bahrain's export receipts. In addition to oil, the Kingdom also produces about 1bn cu ft per day of natural gas from its offshore Khuff formation, a third of which is used to fuel aluminium production, the country's biggest export after oil. The Economic Development Board (EDB) is working to expand industry further, along with other sectors, by attracting more foreign direct investment (FDI) and has so far shown great success. FDI to Bahrain increased by two per cent in 2009 despite the global credit crunch.

In 2008 alone, investments in new industrial projects reached more than \$2.6bn.

Accordingly, the Kingdom is confronted by a series of complex trade policy instruments and requirements, some in relation to law and administration and others in relation to institutional framework, as well as specific policies and position papers pertaining to WTO rounds and FTA agreements.

The Ministry of Industry and Commerce (MOIC) being the focal point for WTO and international trade relations, including; inter alia, the registration of all forms of commercial business, commercial agencies, industrial property, standards and metrology, foreign trade etc. aims at encountering the above challenges and meeting its international obligations, with the maintenance of an open transparent and market driven commercial environment. This is to develop Bahrain's economic competitiveness, and to encourage inward investment, at the same time promoting employment and macroeconomic growth rates. Bahrain's sustained steps towards WTO, FTA's, trade liberalization and economic development have been commended during the second WTO TPR revision in 2007.

Against this background, Bahrain's capacity building cooperation with UNDP, culminated by the implementation of a joint MOIC/UNDP project on Enhancing Institutional Capacity for Global Economic Governance. While this project helped enhancing the negotiating capabilities throughout different negotiating forums, at WTO, FTA, Regional and Bilateral levels, it also aimed at improving the institutional and operative standards of key MOIC functional Directorates, including Directorate of Foreign Trade (DoFTR) , Bahrain standards and Metrology (BSMD) Directorate, and Industrial Property.

¹ Annual Business Economic and Political Review: Bahrain, Oxford Business Group, 59-87

² Annual Business Economic and Political Review: Dubai, Oxford Business Group

³ www.bahraingateway.org

In fulfilment of the 2030 Vision, Bahrain aspires to shift from an economy built on oil wealth to a productive, globally competitive economy, shaped by government and driven by a pioneering private sector. These goals require more involvement in the global economy, and reaping more benefits of its participation in the Doha WTO negotiations, FTAs and RTAs.

Such course entails numerous legislative and administrative efforts, enhancing institutional frameworks and reforms, as well as targeted technical support and awareness, not only for Ministries and public sector, but also for business community stakeholders, and Small and Medium Sized Enterprises (SME's).

The Project duration from 2010-2013 shall also contribute to the attainment of the United Nations Millennium Declaration, where heads of States and Governments emphasized that "the central challenge we face today is to ensure that globalization becomes a positive force for all" (para. 5). This requires strengthened capacities and knowledge-sources on globalization challenges to be developed locally for the increasingly competitive global environment, sectoral policies and those regarding the quality of the transparent economic infrastructure which to a good extent exists in the Kingdom of Bahrain.

II. STRATEGY

The economy of the Kingdom of Bahrain is well managed and competitive in several respects, including openness to global trade, and strong financial market regulations.

Bahrain's Economic Vision 2030 outlines the Kingdom's development agenda and aspirations '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'. The government has therefore focused on diversifying the economy to reduce reliance on oil income. Bahrain's National Economic Strategy 2009 -2014 highlights the 'intention to attract selected leading international innovative companies to set up businesses. These innovative companies will be supported in their efforts to serve regional and global markets.'

The UNDP Human Development Report (HDR) of 2005, 'International Cooperation at a crossroads, Aid, trade and security in an unequal world', states that 'Success in world trade depends increasingly on entry into higher value-added markets for manufactured goods. Trade has been one of the most powerful motors driving global integration. Living standards in rich and poor countries alike depend increasingly on trade. Together, policy change and new technologies have combined to create the conditions for increased trade'

The UNDP 2009 Arab Human Development Report 'Challenges to Security in the Arab Countries' states that 'International financial institutions have been quick to commend the emerging improvements in the oil producing countries' macroeconomic indicators for GDP, trade and foreign direct investment. However, this new pattern also exposes GCC countries more openly than in the past to global economic downturns, the latest of which poses severe challenges to their capital-intensive growth model'. This has created an even greater need for diversification of the economy in Bahrain.

The project entitled "*Support to Enhancing Institutional Capacity for Global Economic Environment and Governance*" is aimed at strengthening the national capacity of Bahrain's governmental departments and stakeholders through technical cooperation and addressing key areas in relation to law, policy formulation and administration with an overarching objective in attracting further international economic activity. The section Improving Productivity in the National Economic Strategy highlights the strategic initiative of expanding total Investment, with an emphasis on raising foreign direct investment. Furthermore the government aims to explore the feasibility of partnerships with international hubs for high value added products or services.

The project is directly linked to Millennium Development Goal (MDG) Goal 8: Developing a global partnership for development. The situation in Bahrain bears particular relevance to target 8a: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system, which includes a commitment to good governance, development and poverty reduction – both nationally and internationally.

The 2009 UNDP Human Development Report (HDR) highlights that 'further liberalization of trade is currently being canvassed in the Doha Round of trade negotiations, which began in 2000'. Bahrain is essential for Bahrain to ensure negotiation, application and implementation of WTO Doha Development Agenda.

In phase I of the project, UNDP sourced international experts to support the project and meet key objectives and outputs in terms of reviewing existing processes, procedures, legislature and regulations to complete achieve the outcomes. Experts were used to establish procedures to promote effectively functioning directorates of Bahrain's Ministry of Industry and Commerce (MoIC). Phase II aims to build on its achievements to support MoIC achieve its overall goal of Enhancing Institutional Capacity for Global Economic Environment and Governance.

In specific areas of the project, UNDP has sourced technical assistance to support specialized seminars and workshops by coordinating with experts from World Intellectual Property Organisation (WIPO) to provide training in the areas of World Trade Organisation (WTO) Trade Related Aspects of Intellectual Property Rights (TRIPS) and Technical Barriers to Trade.

The new phase of the programme has been aligned with the Bahrain's Economic vision 2030 to ensure diversification of the economy through 'embracing the principles of sustainability and competitiveness'. In order to support this, the programme will also source technical expertise from United Nations Conference on Trade and Development (UNCTAD) in the reviewing national investment and completion legislation and policies, WIPO and WTO.

This programme is directly linked to Outcome 3 of the Country Programme Document 2008-2011 which is "Enhanced environment for equitable, job creating and sustainable economic growth" through poverty reduction and promoting inclusive growth. Increasing Trade and diversifying the economy offers enormous opportunities for human development. Under the right conditions increasing trade has potential for reducing poverty, creating the potential for new jobs, narrowing inequality and overcoming economic injustice. The programme will also address gender issues, effects on women, youth and other vulnerable groups. These are expected to be mainstreamed and taken into considerations during the implementation of project's activities.

The HDR of 2005 states: 'Trade is at the heart of the interdependence that binds countries together. That interdependence has contributed to some highly visible human development advances, enabling millions of people to escape poverty and share in the prosperity generated by globalization'.

In particular, this programme is aimed at increasing the national capacity to prepare WTO and FTA's related strategic position papers in the area of Trade Facilitation. Bahrain efforts to facilitate trade will ultimately help the country to achieve its international goals of increasing its participation in the global decision making process and enhance further interaction with globalised international economies.

The Ministry of Industry and Commerce's related departments will be fully incorporated in implementing and achieving the outputs of the programme:

The Directorate of Foreign Trade (DFT) is the focal point for WTO trade negotiations. DFT is positioned to systematically review and develop a series of position papers as a result of the DDA and post rounds and FTA agreements. Enhancing the capacity of DFT will ultimately result in

improved inter-ministerial coordination and enable analysis of different facets of FTA's. Overall, this will lead to enhancement of negotiation, application and implementation of WTO DDA, FTA and TPR outcomes, maximising the benefits to the private sector and the national economy.

The Directorate of Industrial Property (DIP) is in the process of re-engineering its structure so that it is better equipped to enforce increasing international legislation that regulate IP, as well as establish systems of registration for IP under WTO TRIPS. By providing institutional support in terms of administration and registration identifying best practices and improving awareness, this will result in Improved Procedures under WTO TRIPS and WIPO agreements for IP systems of registration, consistent with national objectives and international requirements.

The Bahrain Standards and Metrology Directorate (BSMD) is a nationally recognized body primarily responsible for effective handling of enquiries and responses to WTO and providing quality information services to exporters and importers. BSMD also reviews practices and procedures in relation to 'Conformity Assessment' hence enforcing standards. Strengthening the institutional capacity of BSMD and supporting its capacity to enforce 'good regulatory practices', as well as improving stakeholder awareness, will result in the strengthened capacity of Bahrain in the implementation of the WTO TBT Agreement.

UNDP will draw on its global network of expertise to support the programme in terms of reviewing existing processes, procedures, legislations and regulations. Expertise will also be used to re-structure/ re-engineer functioning institutional committees to fulfil the objectives of effectively functioning directorates supporting enhanced inter-ministerial coordination.

UNDP will also draw on the support and technical knowledge of other UN agencies in different areas of the programme.

Budget

The Programme estimated cost is USD 1,427,160, equally contributed by UNDP and The Ministry of Industry and Commerce

III. RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Country Programme Results and Resource Framework: Enhanced environment for equitable, job creating and sustainable economic growth</p> <p>Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: Indicator: Increased level of public perception on transparency, efficiency and effectiveness of Government institutions</p> <p>Applicable Key Result Area (from 2008-11 Strategic Plan): Strengthening responsive governing institutions</p> <p>Partnership Strategy: Key partners and their roles are given below.</p> <ul style="list-style-type: none"> ▪ The Ministry of Industry and Commerce (MoIC) will be implementing the programme and is responsible for the activities and achieving programme outputs ▪ UNDP will be providing technical support through other UN specialised agencies and programmes ▪ Other stakeholders; e.g. BCCI, NGOs, CSO's may be called upon for implementing some of the activities; subject to Steering Committee approval ▪ UN agencies such as UNCTAD, WIPO, ESCWA and WTO may be called upon to facilitate activities <p>Project title and ID (ATLAS Award ID): Support to Enhancing Institutional Capacity for Global Economic Environment and Governance</p>			
EXPECTED OUTPUTS	OUTPUT TARGETS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES
<p><i>And baseline, associated indicators and annual targets</i></p> <p>Output 1 Enhancement of Negotiation, Application and Implementation of WTO DDA, FTA and TPR outcomes <i>Baseline:</i> <i>Limited inter-ministerial coordination in governmental efforts in the areas of Trade and Development</i> <i>Indicators:</i> <i>Enhanced inter-ministerial coordination for Trade and</i></p>	<p><i>Institutional transformation and administrative re-engineering of Trade committees and Technical Secretariat.</i></p>	<p><i>1 Re-formulation of WTO committee to include all competent governmental, business sectors and trade related associations</i></p> <p>1.1 Identify the division of roles for the concerned Ministries at the Directorate Level in order to implement WTO and FTA Trade laws and policy in Bahrain.</p> <p>1.2 Build an inventory of relevant expertise within each Ministry and identify the best operational methodology for coordination to avoid gaps and duplication of efforts and projects</p> <p>1.3 Reformulate the WTO National Committee and its operational structure and fully functioning Technical Secretariat and reporting</p>	<p>MoIC</p>
			<p>Output 1 Total = \$ 341,000</p> <p><i>International Expert/Consultant 8 weeks \$ 40,000</i></p>

<p>Development and better consolidation of trade efforts</p> <p>Baseline: Limited role of stakeholder standing committee for Trade Implementation in Bahrain</p> <p>Indicators: Establishment of partnerships and Engagement of Stakeholders to formulate functioning Stakeholder Standing committee for Trade Implementation in Bahrain</p>	<p>Administrative re-engineering of Trade Committees to include Stakeholders</p>	<p>2 Re-formulation Stakeholder Standing committee and relevant sub committees, involving all crosscutting sectors</p> <p>2.1 Identify the mission, role, and ToR's for a National Stakeholder Standing committee on Trade with active engagement of stakeholders. Set up of board which focuses the remit and monitoring outcomes</p> <p>2.2 Include socio-development stakeholders and partnerships i.e. gender, youth and environment</p> <p>2.3 Establish sub-committees on functional trade issues</p>	<p>MOIC</p>	<p>International/ National Consultant 8 weeks \$ 40,000</p>
<p>Baseline: Little coordination for FTA & RTAs Negotiation and Implementation</p>	<p>Establishment of Business Advocacy Sub unit involving all crosscutting sectors</p>	<p>3 Business Advocacy Unit set-up</p> <p>3.1 Identify requirements of the Business Advocacy Unit within MOIC</p> <p>3.2 Expertise to prepare and setup Business Advocacy Unit and export body</p>	<p>MOIC BCCI</p>	<p>International Expertise 8 weeks \$ 40,000</p>
<p>Indicators: Engagement and support of MoIC in establishing a functioning relevant sub unit</p> <p>Baseline: Little coordination for FTA & RTAs negotiation and Implementation</p> <p>Indicators: Capacity assessment of RTA/FTA follow-up unit and institutional structures within MoIC including relevant governmental and non-governmental agencies</p>	<p>Establishment of Sub-committee on RTA's & FTA negotiation and Implementation</p>	<p>4 Create competent specialised units for FTA's and RTA's</p> <p>4.1 Perform Technical analysis and identify an operational framework for a proposed FTA Unit</p> <p>4.2 Identify the targets, marketing role, housing and budget for the unit</p> <p>4.3 Identify how the Unit can develop core expertise in FTA negotiations, pre-feasibility studies, post-FTA services including advising business of sectors and opportunities to gain maximum benefit</p>	<p>MoIC</p>	<p>International/ National Consultant 8 weeks \$ 40,000</p>

<p><i>Baseline: Limited resources on FTA's and Trade complementarity with GCC and other relevant countries</i></p> <p><i>Indicators: Increased knowledge of stakeholders on FTA's/RTA's Complementarity studies demonstrating the benefits to Bahrain</i></p>	<p><i>Improved awareness of relevant sectors on FTA's/ RTA's through dissemination of studies</i></p>	<p>5 Carry out the studies below:</p> <p>5.1 Carry out Studies on Bahrain FTA's/RTA's with other GCC countries</p> <p>5.1.1 Review the product complementarity between Saudi Arabia and Bahrain</p> <p>5.1.2 Identify how Saudi Market can channelise Bahrain as a platform in order to make use of the Bahrain – US FTA</p> <p>5.2 Conduct studies on Bahrain FTA's/RTA's with other US FTA countries</p> <p>5.3 Conduct study on Bahrain-EU complementarity for potential EU-GCC FTA</p> <p>5.4 Conduct study on sectors relevant to an AGADIR format for Morocco, Jordan and Oman</p> <p>5.4.1 Replicate through a pilot exercise, best practices from mutually beneficial sectors for the four countries highlighting Rules of origins and logistics between Bahrain and those countries</p>	<p>MoIC MOF Bahrain Chamber for Commerce and Industry (BCCI)</p>	<p>International/ National Consultant(s) 12weeks \$ 60,000</p>
<p><i>Base Line: Little coordination among stakeholders for negotiation and implementation between stakeholders and competent trade negotiations forums.</i></p> <p><i>Indicators: Enhanced capacity of DoFTR, relevant ministries and other stakeholders for WTO, FTA and TPR negotiations</i></p>	<p><i>Stakeholders educated on different trade related issues</i></p>	<p>6 Conduct a series of trade negotiations awareness events, seminars and workshops</p> <p>6.1 Conduct capacity assessment of relevant ministries to identify their need for technical expertise on the above</p> <p>6.2 Conduct a workshop to provide support in drafting analysis of WTO position papers pertaining to Doha (DDA) and post Doha rounds in NAMA, services, anti-dumping, competition, trade facilitation, etc. and training on WTO position paper (for DoFT staff)</p> <p>- Analyse different aspects of FTA's for</p>		<p>\$71000</p> <p>3day Workshop</p> <p>2 day workshop</p>

<p><i>Baseline:</i></p> <ul style="list-style-type: none"> - Little coordination in the governmental efforts in Investment planning & promotion <p><i>Indicators:</i></p> <p>Increase in FDI inflows performance in Goods, Services & SMEs</p>	<p>Improved coordination of governmental efforts in Investment planning and promotion</p> <p>Elaboration of competition policy to ensure fair play & promote more FDI inflows, economic diversification and economic development</p>	<p>maximising the benefits to the private sector and national economy at</p> <p>6.3 Establishment of sub-committees on the following:</p> <ul style="list-style-type: none"> a - Market Access for Goods and Services b - Trade Facilitation and TPR c - Intellectual Property Rights d - SPS e - TBT d - Social Aspects of Trade (Gender, Youth, Environment and SME's & Media <p>6.4 Conduct Workshops on Trade issues and Trade Negotiations for relevant stakeholder in the following areas: Goods, Services, Trade Facilitation, Intellectual Property, Social aspects of Trade (gender and environment)</p> <p>6.5 Enhanced Diplomatic Representation in trade issues</p> <p>6.5.1 Develop a curriculum for Foreign Affairs officials on economic and commercial diplomacy</p>	<p>UNCTAD</p>	<p>5 day Workshop</p> <p>Workshops</p> <p>International/ National Consultant 4 weeks</p>
<p><i>Baseline:</i></p> <ul style="list-style-type: none"> - Little coordination in the governmental efforts in Investment planning & promotion <p><i>Indicators:</i></p> <p>Increase in FDI inflows performance in Goods, Services & SMEs</p>	<p>Improved coordination of governmental efforts in Investment planning and promotion</p> <p>Elaboration of competition policy to ensure fair play & promote more FDI inflows, economic diversification and economic development</p>	<p>7 Investment Policy and Competition Review and gap analysis</p> <p>7.1 Investment Policy Review</p> <p>7.2 Assessment of Competition Law and Policy</p>	<p>UNCTAD</p>	<p>International Expertise as per UNCTAD proposal \$50,000</p>

<p>Output 2 Improved procedures under WTO TRIPS and WIPO agreements for IP systems of registration consistent with national objectives and international requirements instituted</p> <p><i>Baseline: Insufficient institutional capacities and technical experience within the IP Directorate</i></p> <p><i>Indicators: Increased Institutional Capacity of the IP Directorate with improved structure and clearly organized workflow for Staff</i></p>	<p><i>Re-engineering of IP Directorate administrations and registration formalities with established and trained Board of Appeal</i></p>	<p>1 Support the re-engineering of the IP Directorate</p> <p>1.1 Conduct a study on re-engineering the administration and the registration formalities of the IP Directorate</p> <p>1.1.1 Conduct organisation structure review</p> <p>1.1.2 Conduct processes review within the IP Directorate</p> <p>1.2 Establish and train board of appeal</p> <p>1.3 Elaborate on fundamental requirements for agents and lawyers</p> <p>1.4 Identify best practices/ processes for investigation imitations, infringement and unfair competition</p> <p>1.5 Design best practice workflow for receiving complaints in the field of trademark, patent and utility models, industrial design, integrated circuits and planet variety.</p>	<p>MoIC</p>	<p>Output 2 Total = \$ 218,000</p> <p>\$84,000 <i>International/National Consultant 4 weeks</i></p> <p><i>International/ National Consultant 4 weeks</i></p> <p><i>International/ National Consultant 4weeks</i></p>
<p><i>Baseline: Lack of staff with legal experience</i></p> <p><i>Indicator: More competent and qualified staff for review of IP laws and regulations</i></p>	<p><i>Increased knowledge and awareness of IP staff</i></p>	<p>2 Enhanced capacity of the IP Directorate</p> <p>2.1 Conduct comprehensive training in the field of Trademark and Geographical Indication knowledge</p> <p>2.1.1 Madrid Agreement concerning the International registration of Marks and the Protocol related to the agreement</p> <p>2.1.2 Nice Agreement concerning the classification of Goods and Services for purpose of the registration of Marks</p> <p>2.1.3 Vienna Agreement establishing an international classification of the Figurative Elements of Marks</p>	<p>MoIC</p>	<p>\$114,000 <i>International Consultant 4 weeks/ Study Tour(s)</i></p> <p><i>International Consultant 1 week</i></p>

<p>Baseline: Lack of awareness of IP concept and importance</p> <p>Indicator: Enhanced public awareness of IP Concepts</p>		<p>2.2 Provide training on the searching and examination for Patent offices</p> <p>2.3 Conduct training on searching and examination Trademark offices</p> <p>2.4 Provide training on processing of international and national applications</p> <p>2.5 Conduct workshop on statistical reports and analysing data</p> <p>2.6 Conduct a review of IP law and regulations conducted on</p> <p>2.6.1 Legal aspects of Industrial Property (the repression of infringements of industrial property rights).</p> <p>2.6.2 Legal aspects on objections raised against the registration of IP branches</p>	<p><i>International Consultant 1</i> week</p> <p>International Trainer 1 week/Study Tour(s)</p> <p><i>Seminars/Workshop</i> 6 Total</p> <p>International Consultant 2 weeks/ Study Tour(s)</p>
<p>Output 3</p> <p>Strengthened capacity of Bahrain's DoFTR in the implementation of the WTO TBT Agreement</p> <p>Baseline: Lack of awareness of Stakeholders the standardisation role in economic growth and world trade</p> <p>Indicator: Enhanced awareness of the</p>	<p><i>Improved knowledge and awareness among stakeholders and public on IP</i></p>	<p>3 <i>Improved awareness of IP concepts among public and stakeholders</i></p> <p>3.1.1 Conduct a media campaign for the public</p> <p>3.1.2 Conduct awareness seminars for stakeholders</p>	<p>MoIC</p> <p>\$20,000</p> <p><i>Media Campaign</i></p> <p><i>Seminars</i></p>
	<p><i>Improved knowledge and awareness among stakeholders of the role of standardisation in economic growth and world trade</i></p>	<p>1 <i>Improve awareness of key stakeholders, of the standardisation work and related activities</i></p> <p>1.1 Conduct a number of seminars and workshops on standardisation in key economic sectors for the region; such as oil and gas, food, electrical equipments and building construction.</p> <p>1.2 Conduct media campaign to improve awareness of standardisation</p> <p>1.3 Conduct educational campaign for youth on standardisation</p>	<p>MoIC</p> <p>Output 3 Total \$ 260,000</p> <p>\$100,000</p> <p><i>Media/Educational/Awareness Campaigns</i></p> <p><i>Seminars (6 Total)</i></p>

<p>role of standardization and promotion for standards application</p> <p>Baseline: Shortage of skilled and trained / qualified staff</p> <p>Indicator: Increased capacity of BSMD staff and Technical Committee (TC) members</p>	<p>Increase involvement in governance and technical work of international standards to voice priorities, contribute and influence the technical content of international standards deliverables.</p>	<p>2 Upgrade staff of BSMD to gain Skills and qualifications through training and development programmes</p> <p>2.1 Train BSMD staff and TC members involved in the development of standards and work on international standardisation</p> <p>2.2 Participation in ISO technical committees, discussions and meetings</p>	<p>MoIC</p>	<p>\$60,000</p> <p>International Consultant 4 weeks Training/Study Tour(s)</p>
<p>Baseline: Absence of adequate conformity infrastructure (specialists, technicians, laboratories and testing facilities, etc).</p> <p>Indicator: Enhanced capacity to promote good regulatory practices</p>	<p>Establishment of a well regulated and safe local market.</p> <p>Build up the competency of mutual recognition agreements on conformity assessment in FTAs.</p> <p>Increase competitive ability of National products in local and global markets.</p>	<p>3 Ensure conformity of domestic and foreign products to their relative safety requirements</p> <p>3.1 Upgrade professional skills of the market surveillance personnel and strengthening technical infrastructure supporting market Surveillance activities</p> <p>3.2 Participate in specialised training of BSMD staff on conformity/safety/programmes on TBT</p> <p>3.3 Provide training on toys or electrical home appliance regulating programme</p> <p>3.4 Participation in specialized conformity assessment programmes with leading international laboratories active in the field of conformity assessment on health, safety and environmental issues</p>	<p>MoIC</p>	<p>\$100,000</p> <p>International Consultant(s) 8 weeks/study Tour(s)</p>

Common costs

Programme Manager: \$ 180,000/yr

Evaluation: \$20,000

Auditing costs: \$7000

Total programme cost: U\$ 1,427,160

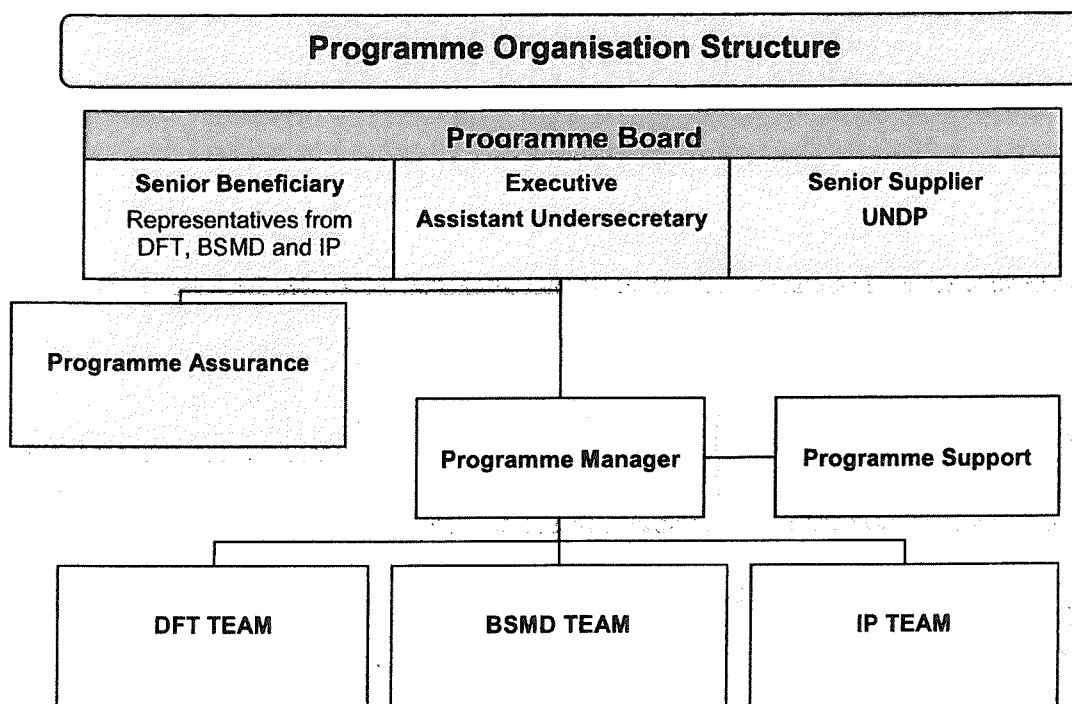
IV. ANNUAL WORK PLAN⁴

Year:

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Funding Source	Budget Description
Output 1	1. Activity Result -Activity action -Activity action							
Baseline:	2. Activity Result -Activity action -Activity action							
Indicators:	3. Activity Result - Activity action - Activity action							
Targets:	4. Activity Result -Activity action -Activity action							
Related CP outcome:	1. Activity Result -Activity action -Activity action							
Output 2	2. Activity Result -Activity action -Activity action							
Baseline:								
Indicators:								
Targets:								
Related CP outcome:								
Output 3								
Baseline:								
Indicators:								
Targets:								
Related CP outcome:								
TOTAL								

⁴ To be further elaborated and finalized for each output separately by the Programme Manager in consultation with the Programme Board

V. MANAGEMENT ARRANGEMENT



The programme will be nationally implemented by the Ministry of Industry and Commerce in line with the UNDP Country Programme Document 2008-2011, the UNDP Country Programme Action Plan 2008-2011 and Bahrain's Economic Vision 2030.

As the programme is made up of 3 outcomes, these can be translated into 3 sub projects under each MoIC Directorate: Foreign Trade, Standards and Metrology and Industrial Property.

The programme will establish a Programme Board, composed of representatives from UNDP and MoIC. The Programme Board will be responsible for overseeing the implementation and monitoring of the programme. The Programme Board should meet at least once per quarter to oversee the progress of the programme. Relevant stakeholders may be invited to attend the Programme Board meetings.

The programme will recruit a Programme Manager who has authority to run the project on a day to day basis. Within this he or she will be responsible for management of the programme within the boundaries laid down by the Programme Board. The aim is to ensure that the programme produces the results specified in the programme document, to the required standard of quality and within the specified constraints of cost and time. The Programme Manager is expected to monitor risk logs and analyse quality management methods and develop the Annual Work Plans for the project. The Programme Manager will report on progress every quarter to the Programme Board.

UNDP will assign the project assurance role to a Programme Analyst. Programme Assurance supports the Project Board by carrying out objective and independent project oversight and monitoring functions. The role also provides support in reporting on the contribution of the project outputs to the relevant UNDP Country Office outcomes

Detailed Terms of Reference for the Programme Board, Programme Manager and Programme Assurance is available in Annex 3.

Molc will provide support to the programme including office space and other logistics to ensure efficient and effective management of the programme.

VI. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Programme Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Programme Manager to the Programme Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a Programme Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Programme Manager and shared with the Programme Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the Programme and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Programme Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Quality Management for Project Activity Results⁵

OUTPUT 1:		
Activity Result 1 (Atlas Activity ID)	<i>Short title to be used for Atlas Activity ID</i> Workshops	Start Date: End Date:
Purpose	<i>What is the purpose of the activity?</i> To Improve the knowledge of staff	
Description	<i>Planned actions to produce the activity result.</i> Training from International Expertise/Training on Study Tour	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
Increased knowledge of staff	Evaluation Questionnaire	
Practical Application of knowledge	Practical Demonstration	
Both of the above	Mission Reports from Trainers/Trainees	

⁵ To be further elaborated and finalized for each output separately by the Programme Manager in consultation with the Project Board

VII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of (country) and UNDP, signed on (date).

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency 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 executing agency's security, and the full implementation of the security plan.

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 this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the 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/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

VIII. ANNEXES

Annex 1: Risk Log

Annex 2: Cost Sharing Agreement*

Annex 3i: Terms of Reference for Programme Manager

Annex 3ii: Programme Board Responsibilities

Annex 3iii: Terms of Reference for Programme Assurance



UNDP – MOIC Cost-Sharing Agreement

AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE Ministry of Industry and Commerce OF BAHRAIN

WHEREAS The Ministry of Industry and Commerce (hereinafter referred to as "MOIC ") and the United Nations Development Programme (hereinafter referred to as "UNDP") have agreed to co-operate in the implementation of a Programme in the Kingdom of Bahrain (hereinafter referred to as "the Programme ") which Programme titled "Support to Enhancing Institutional Capacity for Global Economic Environment and Governance."

WHEREAS the MOIC has informed UNDP of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP on a cost-sharing basis to increase the resources available for the Programme;

WHEREAS the UNDP is prepared, to receive and administer the Contribution for the implementation of the Programme;

WHEREAS the UNDP shall designate an executing entity or implementing partner for the implementation of the programme financed from the contribution (hereinafter referred to as "the Executing Agency/ Implementing Partner")

NOW THEREFORE, UNDP and MOIC hereby agree as follows:

Article I

1. The MOIC shall, in the manner referred to in paragraph 2 of this Article, place at the disposal of UNDP the contribution of **713,580** United States Dollars.
2. The MOIC shall, in accordance with the schedule of payments set out below, deposit the contribution in 'UNDP Representative in Bahrain (US Dollar Account) Account Number: 375 218 4077' at the 'Bank of America, Swift Code: BOFAUS3N, Bank of America, N.A. New York, USA'.

<u>Date payment due</u>	<u>Amount (US\$)</u>
(a) Upon signature of Programme Document	237,860
(b) Mid April 2011	237,860
(c) Mid April 2012	237,860
Total Amount	713,580

3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of programme delivery.
4. Duration of this Agreement shall be three years from the commencement of the programme.
5. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Any change in the currency of contribution or payments shall be made only in agreement with UNDP. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the MOIC with a view to determining whether any further financing could be provided by the MOIC. Should such further financing not be available, the assistance to be provided to the programme may be reduced, suspended or terminated by UNDP.
6. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP. All financial accounts and statements shall be expressed in United States dollars. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the MOIC on a timely basis a supplementary estimate showing the further financing that will be necessary. The MOIC shall use its best endeavors to obtain the additional funds required.
7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 5 above is not forthcoming from the MOIC or other sources, the assistance to be provided to the programme under this Agreement may be reduced, suspended or terminated by UNDP.
8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.
9. In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) 3% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
- (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner

Article II

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 3%. Furthermore, as long as they are unequivocally linked to the specific programme(s), all direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the programme budget against a relevant budget line and borne by the programme accordingly.

2. The aggregate of the amounts budgeted for the programme, together with the estimated costs of reimbursement of related support services, shall not exceed 5% of the resources available to the programme under this Agreement as well as funds which may be available to the programme for programme costs and for support costs under other sources of financing.

Article III

1. The contribution shall be administered by the UNDP in accordance with UNDP regulations, rules and directives, applying its normal procedures for the execution of its programmes.
2. Programme management and expenditures shall be governed by the regulations, rules and directives of UNDP and, where applicable, the regulations, rules and directives of the MOIC as Executing Entity

Article IV

1. The implementation of the responsibilities of the UNDP and of the Executing Agency/Implementing Partner pursuant to this Agreement and the relevant programme document shall be dependent on receipt by the UNDP of the contribution in accordance with the schedule of payments set out in Article I, paragraph 2, above.
2. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) UNDP shall submit to the MOIC on a timely basis a supplementary estimate showing the further financing that will be necessary. The MOIC shall use its best endeavors to obtain the additional funds required.
3. If the contribution-payments referred to in Article I, paragraph 2, above, are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2, above, is not forthcoming from the MOIC or other sources, the assistance to be provided to the Programme under this Agreement may be reduced, suspended or terminated by UNDP.

Article V

Ownership of equipment, supplies and other property financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article VI

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

Article VII

UNDP shall provide the MOIC on request with financial reports, detailed information on the achievement of the Goals and Objectives and all other reports of status and programme progress prepared in accordance with UNDP reporting procedures.

Article VIII

1. UNDP shall notify the MOIC when all activities relating to the contribution have been completed.
2. Notwithstanding the completion of all activities relating to the contribution, UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the activities finance by the contribution have been satisfied and these activities brought to an orderly conclusion.
3. If the unutilized contribution-payments prove insufficient to meet such commitments and liabilities, UNDP shall notify MOIC and consult with MOIC on the manner in which such commitments and liabilities may be satisfied.
4. Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the MOIC.

Article IX

1. After consultations have taken place between the two Parties to this Agreement and provided that the contribution-payments already received are, together with other funds available to the Programme, sufficient to meet all commitments and liabilities incurred in the implementation of the Programme, this Agreement may be terminated by UNDP or by the MOIC. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.

2. If the unutilized contribution-payments, together with other funds available to the Programme, are insufficient to meet such commitments and liabilities, UNDP shall notify the MOIC and consult with the MOIC on the manner in which such commitments and liabilities may be satisfied.
3. Notwithstanding termination of this Agreement, UNDP shall for a reasonable period of time continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the activities financed by the contribution have been satisfied and these activities brought to an orderly conclusion.
4. Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the MOIC.

Article X

The Agreement may be amended through an exchange of letters between the MOIC and UNDP. The letters exchanged to this effect shall become an integral part of the Agreement.

Article XI

This Agreement shall enter into force upon signature and deposit by the MOIC of the first contribution-payment to be made by the MOIC in accordance with the schedule of payments set out in Article I, paragraph 2 of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in two copies.

For the MOIC:



(Signature)

Name: **H.E. Dr. Hassan Fakhro**

Title: **Minister of Industry and Commerce**

Date: 27th May 2010

Place: MOIC

For the United Nations Development Programme:



(Signature)

Name: **Mr. Sayed Aqa**

Title: **UNDP Resident Representative**

Date: 27th May 2010

Place: MOIC





Attachment

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between *the MoIC of the Kingdom of Bahrain*, the institutions designated by the Government of Bahrain and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed programme '*Support to Enhancing Institutional Capacity for Global Economic Environment and Governance*'

2. In accordance with the provisions of the letter of agreement signed on and the *Programme Document*, the UNDP country office shall provide support services for the '*Support to Enhancing Institutional Capacity for Global Economic Environment and Governance*' as described below.

3. Support services to be provided:

Support services (insert description)	Schedule for the provision of the support services	Cost to UNDP of providing such support services (where appropriate)	Amount and method of reimbursement of UNDP (where appropriate)
1. Assistance in recruiting International Consultants and Expertise	May 2010 – May 2013		
2. Assistance in organizing Conferences, Seminars, Workshops and Study Tours for Training of MoIC Staff	May 2010 – May 2013		
3. Assistance in recruiting a Programme Manager for the duration of the programme	May 2010 – May 2013		

4. Description of functions and responsibilities of the parties involved:

UNDP will provide Programme assurance supporting the Programme Board by carrying out objective and independent programme oversight and monitoring functions. UNDP will also provide support to the Project Manager in implementing the Programme Activities as outlined in the Programme Document, by resourcing and recruiting specialists to undertake the activities and utilizing their networks for study exchanges and other sharing of information.



STANDARD LETTER OF AGREEMENT

BETWEEN UNDP AND THE Ministry of Industry and Commerce FOR THE PROVISION OF SUPPORT SERVICES

Dear H.E. Dr. Hassan Fakhro

1. Reference is made to consultations between the *Ministry of Industry and Commerce* (hereinafter referred to as "MoIC") and officials of UNDP with respect to the provision of support services by the UNDP Country Office for nationally managed programme Support to Enhancing Institutional Capacity for Global Economic Environment and Governance. UNDP and the MoIC hereby agree that the UNDP country office may provide such support services at the request of the MoIC through its designated officials.
2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the MoIC (Implementing Partner) is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.
3. The UNDP country office may provide, at the request of the Implementing Partner, the following support services for the activities of the programme:
 - a) Identification and/or recruitment of programme short term experts and long term personnel;
 - b) Identification and facilitation of training activities in country and outside;
 - c) Procurement of goods and services;
4. The procurement of goods and services and the recruitment of programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme document, in the form provided in the Attachment hereto. If the requirements for support services by the country office change during the life of a programme, the annex to the programme document is revised with the mutual agreement of the UNDP resident representative and the Implementing Partner.
5. The relevant provisions of the *UNDP Standard Basic Assistance Agreement with the Government of Bahrain, signed on 3 August 1978* (the "SBAA") or the Supplemental Provisions forming part of the programme document, including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed programme through its Implementing Partner. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the programme document.
6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.
7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the programme document.
8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.

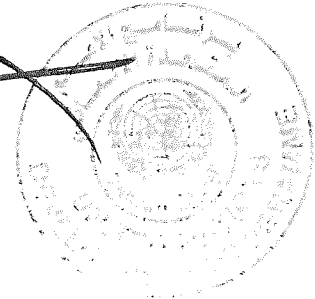


9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Ministry and UNDP on the terms and conditions for the provision of support services by the UNDP Country Office for nationally managed programmes and projects.

Yours sincerely,

Signed on behalf of UNDP
Mr. Sayed Aqa
UNDP Resident Representative



H.E. Dr. Hassan Fakhro

Date: 27th May 2010