

Government of the Kingdom of Bahrain

and

United Nations Development Programme

Title of Project: *Enhancing Institutional Capacity for Global Economic Environment and Governance*

Brief description

To enable efficient utilization and attraction of international economic activity, the Kingdom is confronted by a series of requirements, some in relation to law and administration and others in relation to policies and position papers pertaining to WTO rounds and FTA agreements. The project, therefore, aims at increasing the national capacities in effectively handling WTO rounds and FTA agreements. It will support in reviewing legislations and regulations, meeting notification requirements, facilitating the understanding of specific issues of particular interest in WTO issues as well as TRIPS and TBT including FTAs subject and concerns.

Thus, the project will support creation of necessary national capacities for effective administration of the referred areas as means of establishing strengthened governance system through technical assistance resources targeting the primary stakeholder being the Ministry of Industry and Commerce while extending the benefits to the private sector and other line institutions.

The project, will therefore, aims at reaching the following results at the end of the project:

- Enhance the national capacities to meet WTO TBT principles.
- Develop procedures under WTO TRIPS agreement for IP systems of registration consistent with national objectives and international requirements.
- Develop national capacities in preparing WTO strategic position papers in depth analysis of FTAs.

SIGNATURE PAGE

Country: **Kingdom of Bahrain**

UNDAF Outcome(s)/Indicator(s):

(Link to UNDAF outcome, If no UNDAF, leave blank)

Expected Outcome(s)/Indicator (s):

(CP outcomes linked t the SRF/MYFF goal and service line)

Policies more supportive of external trade and FDI

Expected Output(s)/Indicator(s):

(CP outcomes linked t the SRF/MYFF goal and service line)

Govt. position papers on WTO agreements with active private sector's involvement prepared.

Implementing partner:

(designated institution/Executing agency)

The Ministry of Industry and Commerce

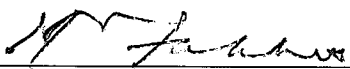
Other Partners:

(formerly implementing agencies)

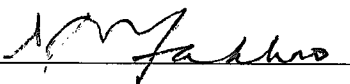
Programme Period: **2003-2007**
Programme Component (MY FF):
Project Title: **Enhancing Institutional Capacity for Global Economic Environment and Governance**
Project ID: _____
Project Duration: 1 and 1/2 yrs
Management Arrangement: **NEX**

Budget	\$ 582,000.00
General Management Support Fee:	\$14,460.00
Total budget:	\$ 596,460.00
Allocated resources:	
• Government	\$ 596,460.00
• Regular	
• Other:	


Agreed by (Government): H.E. Dr. Hassan Abdulla Fakhro, Minister of Industry and Commerce

 14 March 2005

Agreed by (Executing agency): H.E. Dr. Hassan Abdulla Fakhro, Minister of Industry and Commerce

 14 March 2005

Agreed by (UNDP): Dr. Khaled Alloush, UN Resident Coordinator, UNDP Resident Representative

 14 March 2005

Project Title: Enhancing Institutional Capacity for Global Economic Environment and Governance

1a- SITUATION ANALYSIS:

In the United Nations Millennium Declaration, 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. The Kingdom’s membership in WTO and as signatory to many agreed frameworks for Free Trade Agreements (FTAs) and international economic relations reinforces the necessity for the existence of capacities capable of effectively complying with such agreements for which the Kingdom is given serious consideration. This conviction is based on the recognition that as the integration of the kingdom in a globalized economy increases, its successful management and utilization to national benefits requires increased participation in global decision-making which requires efficient capacities by the national institutions and stakeholders.

To enable positive forces and efficient utilization and attraction of international economic activity, the Kingdom is confronted by a series of requirements, some in relation to law and administration and others in relation to policies and position papers pertaining to WTO rounds and FTA agreements. Therefore, at the national level, the Ministry of Industry and Commerce 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 these challenges and meeting its international obligations with the maintenance of an open transparent and market driven commercial environment so as to develop Bahrain's economic competitiveness, and to encourage inward investment, at the same time promoting employment for the local population.

In addition, the Ministry is coordinating with line institutions and the private sector in creating an enabling environment for meeting obligations arising from WTO rounds, TRIPS, TBT, FTAs for the promotion of both domestic and foreign investment while emphasizing that sound, coherent, nationally owned policies and development strategies can succeed only in an environment characterized by good economic governance and transparency, including efficient regulations, enforcement of contracts, respect for property rights and good infrastructure. Therefore, in light of this demand, this initiative is shaped to support creation of necessary national capacities for effective administration of the referred areas as means of establishing strengthened governance system through technical assistance resources targeting the primary stakeholder being the Ministry of Industry and Commerce while extending the benefits to the private sector and other line institutions.

1b- STRATEGY:

The Kingdom of Bahrain concurs that the issue of development in the context of globalization and interdependence is vast and covers a broad spectrum of concerns and should deal with it in specific terms through laws, administration procedures and others in relation to devising policies and focused position papers pertaining to WTO rounds and FTA agreements. Faced by a globalized world, the Ministry of Industry and Commerce in accordance with its mandate concerning international trade policy, its key priorities are to develop policy reviews and legal instruments related to Doha Development Agenda enabling it to integrate and participate fully in, and benefit from, trade negotiations by having the skilled capacities.

The Ministry's related departments will be fully incorporated in achieving the outputs and outcome of this project. *The Directorate of Foreign Trade (DFT)*, being the focal point for WTO trade negotiations, will be positioned to review, in a systematic approach, and develop series of position papers as a result of Doha Development Agenda and its post-rounds concentrating services, dumping, competition, and investment. In addition it will get the necessary support for advancing its capacity to analyze different aspects of FTAs for maximizing the benefits to the private sector and national economy at large. *The Directorate of Standards and Metrology (DSM)* which is the national recognized body (NSB), will be strengthened to fulfill the Ministry's plans to meet WTO TBT (Technical Barriers on Trade) principles focusing on increasing capacities of those dealing with the "Enquiry Point" for effective handling of inquiries and replies to WTO and other bodies, similarly to the "Standards Information Center" for conducting national campaigns and provide quality information services to exporters and importers and, support the review procedures pertaining to "Conformity Assessment" practices for enforcement of standards.

With regard to *the Directorate of Industrial Property (DIP)* which is expanding and re-orienting its structure to supervise and increasing international laws and conventions that regulates IPs and establishing procedures under WTO TRIPS agreement for IP systems of registration, for which the Kingdom is very keen with. Currently it's developing the internal procedures in order to have the industrial property (IP) laws approved by the national parliament for which it will be supported by the project to get the necessary specialized skills and capacity for analytical review of proposed IP laws being submitted to the parliament or which under construction by the Government, review and recommend best practices for conducting Examination and Registration or Granting process for IP fields. In addition, the project will enhance the functions of the Directorate through conducting re-engineering of functions to meet its mandate. Also, its Information and Communication Technology (ICT) infrastructure permitting utilization of appropriate information technologies will be improved.

The project, will therefore, aims at reaching the following results at the end of the project:

- Enhance the national capacities to meet WTO TBT principles.

- Develop procedures under WTO TRIPS agreement for IP systems of registration consistent with national objectives and international requirements.
- Develop national capacities in preparing WTO strategic position papers in depth analysis of FTAs.

UNDP will support in reaching the above referred results by providing high caliber international experts for assisting the national capacities in fulfilling their objectives. Most of UNDP experts will assist in reviewing legislations and regulations, meeting notification requirements, facilitating the understanding of specific issues of particular interest in WTO issues as well as TRIPS and TBT subject and concerns. The UNDP experts will also support the Ministry in organizing seminars for which some seminars will be specialized — focusing on a narrowly defined subject — while others cover broader aspects of the multilateral trading system and FTA requirements. The project will also organize workshops focused on particular areas covering, in addition to theoretical explanations, case studies and simulation exercises.

For having focused capacities and training, the project will provide technical briefing sessions and on-site knowledge-transfer for staff dealing with specific responsibilities at internationally recognized centers. In addition, ICT and Knowledge-provision areas will be provided to facilitate the dissemination of information on the multilateral trading system, WTO and WIPO issues to the interested parties.

Part II. Results Framework

See attached table.

Part III. Management Arrangements

The project will be implemented by the Ministry of Industry and Commerce applying the UNDP National Execution (NEX) modality. The UN and International agencies such as WIPO, WTO and others may be utilized as ‘other partners’ (formerly known as implementing agencies) for supporting the execution of the project. For ensuring synergies and coordination get established during the project implementation, the project will recruit an “International Coordinator” (IC) for a period of one year. In addition, provision for administration support team will be made available to assist the project activities. The institutional management of the project will be composed of a *steering Committee (SC)* having senior ranking officials from line the Ministry of Industry and Commerce, Chamber of Commerce and others as deemed necessary to oversee and support the implementation plan of the project. UNDP and the “IC” will also take part in the SC. The three Directorates involved directly in the project (see section 1b) will identify *Liaison Officers (LOs)* at inter-ministerial level for coordinating and harmonizing their line of activities with the “IC”.

The international experts will be fielded at different intervals based on the workplan developed by the "IC" and approved by the SC. The experts will work closely with the LOs ensuring and facilitating the capacity-building exercise get extended in an interactive environment including integrated approaches /knowledges.

Part IIIa. Monitoring and Evaluation

The project will be subject to quarterly reviews, WIPO and WTO or other international bodies can be invited to take part if found necessary. The first such review meeting will be held within three months of the start of project's full implementation. The "IC", in consultation with the LOs, prepares a progress report and submits to each SC meeting perhaps using the UNDP Project Progress Report format. All financial reports required under NEX procedures will be prepared by the SC.

Part IV. Legal Context

This document shall be the instrument referred to in Article 1 of the Standard Basic Assistance Agreement between the Government of Bahrain and the United Nations Development Programme, signed by the parties on 3 August 1978. The host country implementing agency shall, for the purpose of that Agreement, refer to the government cooperating agency described in the Agreement.

2- PROJECT RESULTS AND RESOURCES FRAMEWORK

Partnership Strategy:				
Project title and number:				
Intended Outputs	Output targets	Indicative Activities	Resp. Agency	Inputs
<p><u>Output 1</u> Capacities to meet WTO TBT principles strengthened.</p>	<p>Project completion will be within one and half year</p>	<p>A. Train Enquiry Point designated staff in effective handling of inquiries and replies to WTO and other bodies as well as commenting on national standards for harmonization with international standards. B. Reinforce capacities at the "Standards Information Center" for conducting national campaigns and provide quality information services to exporters and importers. C. Review Conformity Assessment practices and recommend means of improving procedures for enforcement of standards. D. Design programmes for accreditation of private and independent testing laboratories.</p>	<p>UNDP*, DMS*</p>	<p>A. Enquiry Point Consultants 1 m/m Expert in Data and knowledge Provider (20,000) Workshop for all line Ministries on data & knowledge management. (\$ 16,000)</p> <p>B. Standards Information Center: Consultants: 0.5 m/m Expert in Standards Information for Exporters and Importers. (\$ 10,000) Workshop: 2 for 50 persons each targeting exporters and importers + Special workshop for line Ministries on Standard Centers (\$ 15,000).</p> <p>C. Conformity Assessment: Consultants: ▪ 0.5 m/m Expert in Standards Procedures and Enforcement (\$ 10,000) ▪ 0.5 m/m Expert in Laboratory data procedures and technical review. (\$10,000). ▪ 0.5 Expert in Conformity Assessment bodies. (\$ 10,000) Workshop: for 30 persons on standards enforcement procedures (\$ 3,000)</p> <p>D. Accreditation Programme: Consultants: 1 m/m Accreditation Policy Framework. (\$20,000) 0.5 m/m Specialist in organizing in-house workshop on general accreditation practices (\$10,000)</p> <p>Total: \$ 124,000</p>

achieve 1
achieve 2
achieve 3
achieve 4
achieve 5

Intended Outputs	Output targets	Indicative Activities	Resp. Agency	Inputs
<p><u>Output 2</u></p> <p>Procedures under WTO TRIPS and WIPO agreements for IP systems of registration consistent with national objectives and international requirements instituted.</p>	<p>Project completion will be within one and half year</p>	<p>A. Develop and implement capacity-building programmes enabling analytical review of proposed on industrial property laws being submitted to the parliament or which under construction by the Government.</p> <p>B. Review and recommend best practices for conducting Examination and Registration or Granting process for IP fields.</p> <p>C. Asses current structure of DoIP and recommend re-engineering of functions.</p> <p>D. Improve ICT infrastructure permitting utilization of appropriate information technologies such as WIPO IP computer programmes system and the benefit of WIPOnet etc.</p> <p>E. Intensify IP knowledge transfer provisions utilizing knowledge from IP internationally recognized registration offices.</p>	<p>UNDP, DoIP*</p>	<p>A. Capacity-building Programme</p> <p>Consultants:</p> <ul style="list-style-type: none"> ▪ 0.5 m/m Training Expert in IP Laws (\$10,000) ▪ 1 m/m IP Expert in Trademarks, Patent and Utilities Model, Trade Secrets laws. (\$20,000) ▪ 1 m/m Expert in IP Drawings & Industrial Design, Designs for IC, Geographical Indication Laws. (\$ 20,000) ▪ 0.5 m/m IP Expert in Plant Variety Law (\$ 10,000). <p>Workshops: 3 for DoIP and line Ministries (\$ 7,000).</p> <p>B. Examination-Registration-Granting (ERG) Processes</p> <p>0.75 Expert in ERG best practices (\$ 15,000)</p> <p>C. Re-engineering of functions</p> <p>0.75 m/m Expert in re-profiling and business re-engineering (\$ 15,000).</p> <p>D. ICT Infrastructure</p> <ul style="list-style-type: none"> ▪ 0.5 m/m WIPO Expert/Staff for on-line IT programmers and users (\$10,000) ▪ 0.5 m/m Expert in knowledge sources and homepage design improvement (\$ 10,000). <p>E. Knowledge Transfer on IP</p> <p>Specialized Workshops (3-5) hosting specialists from internationally recognized offices targeting</p> <p>a) Administrators and b) Technical staff from line ministries (\$22,000)</p> <p>TOTAL: \$ 139,000</p>

Actual 5

6/10

Actual 6

Actual 7

Actual 8

Actual 9

2005

31

10.3.2005

Intended Outputs	Output targets	Indicative Activities	Res. Agency	Inputs
<p>Output 3</p> <p>National capacities in preparing WTO strategic position papers and analysis of FTA developed.</p>	<p>Project completion will be within 1-1/2 year</p>	<p>A. Support in drafting analysis of WTO position papers pertaining to Doha (DDA) and post-Doha rounds in services, anti-dumping, competition, investment etc</p> <p>B. Analyze different aspects of FTAs for maximizing the benefits to the private sector and national economy at large.</p> <p>C. Organize specific training programmes for DoFT and related institutions in WTO and FTA subjects.</p>	<p>UNDP, DoFT*</p>	<p>A. WTO Position Papers Consultants:</p> <ul style="list-style-type: none"> ▪ 1 m/m Expert in Anti-dumping (\$20,000) ▪ 1 m/m Expert in Investments (20,000) ▪ 1 m/m Expert in Competition (\$20,000) ▪ 1 m/m Expert in Services (\$20,000) ▪ 1 m/m Expert in NAMIA (\$20,000) <p>In-house Workshops: 3-4 with line institutions (\$8,000).</p> <p>B. Analysis of FTAs Consultants:</p> <ul style="list-style-type: none"> ▪ 1 m/m expert in USA, FTA in Trade & Services aspects (\$ 20,000) ▪ 1 m/m expert in Thailand FTA trade impact/opportunities (\$ 20,000) ▪ 0.5 m/m Expert in GCC-EU FTA (\$ 10,000) <p>Workshops: on FTA opportunities for the private sector with line Ministries (\$ 6,000)</p> <p>D. Specialized Seminars and Workshops</p> <ul style="list-style-type: none"> ▪ 2 m/m Consultants for preparing specialized workshops on DDS issues for all line institutions (\$20,000) <p>TOTAL: \$ 184,000</p>

Added 10

\$ 103,150

Added 11

\$ 5,000

Added 12

* **UNDP:** United Nations Development Programme
 * **DMS:** Directorate of Metrology and Standards
 * **DoIP:** Directorate of Industrial Property
 * **DoFT:** Directorate of Foreign Trade

Project Budget

Components	Duration m/m	Budget \$
A. Consultants:		
1. Int. Coordinator	12	100,000
2. Specialized Experts		385,000 (w/Agency Support)
B. Specialized Workshops		97,000
E. GMS (ex-COA) at 3%		14,460
TOTAL		596,460