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**Independent evaluation**  
**BAHRAIN**

Investment and Technology  
Promotion Office Bahrain

UNIDO service in Bahrain for the  
promotion of industrial investment  
in developing countries  
UNIDO Project US/GLO/o4/152





UNIDO EVALUATION GROUP

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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION  
Vienna, 2008

Distr. GENERAL

OSL/EVA/08/R.9  
30 October 2008

Original: ENGLISH

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The views and opinions of the team do not necessarily reflect the views of the Government of Bahrain and of UNIDO.

This document has not been formally edited.

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## Acronyms and abbreviations

AGFUND	Arab Gulf Fund for United Nations Development Organizations
ALBA	Aluminum Bahrain
AOU	Arab Open University
ARCEIT	Arab Regional Centre for Entrepreneurship & Investment Training
ASTF	Arab Science and Technology Foundation
BBIC	Bahrain Business Incubator Centre
BCCI	Bahrain Chamber of Commerce & Industry
BDB	Bahrain Development Bank
BIC	Bahrain Investors' Centre
BIEC	Bahrain International Exhibition Centre
BIIP	Bahrain International Investment Park
BIT	Bahrain Institute of Technology
BMI	Business Monitor International
BNA	Bahrain News Agency
BOP	Balance of Payment
BTI	Bahrain Training Institute
CBB	Central Bank of Bahrain
CSB	Civil Service Bureau
EDB	Economic Development Board
EDIP	Enterprise Development & Investment Promotion
FDI	Foreign Direct Investment
GCC	Gulf Cooperation Council
GOSI	General Organization for Social Insurance
ICU	ITPO Coordination Unit
IDB	Islamic Development Bank
IDF	Industrial Development Fund
IIPP	Industrial Investment Project Profile
IPA	Investment Promotion Agency
IPS	Investment Promotion Service
IPU	Investment Promotion Unit
ITAP	Investment Promotion and Technical Assistance Programme



ITP	Investment and Technology Promotion
ITPO	Investment and Technology Promotion Office
KFH	Kuwait Finance House
LDC	Least Developed Country
LF	Labour Fund
LMRA	Labour Market Regulatory Authority
MOF	Ministry of Finance
MOIC	Ministry of Industry & Commerce
MOU	Memorandum of Understanding
NCPC	National Cleaner Production Center
PFC	Pension Fund Commission
RBM	Results-based Management
REAP	Responsible Entrepreneurs Achievement Programme
SME	Small & Medium Enterprises
SPX	Subcontracting Exchange
TF	Trust Fund
UOB	University of Bahrain
VCF	Venture Capital Fund

# Executive Summary

## Introduction and Background

The Investment and Technology Promotion Office (ITPO) in Bahrain was established in 1996 on the basis of an Agreement, signed in 1995 between the Government of Bahrain and UNIDO. The Agreement was concluded for an indefinite period with the stipulation that the Office shall be funded for renewable periods, each of a two- or three-year duration. The most recent extension project “UNIDO Service in Bahrain for the Promotion of industrial Investment in Developing Countries (Investment and Technology promotion Office)” was approved in 2005 and has a total allotment of US\$ 2,217,022. It is scheduled for completion in December 2008. The extension project is fully funded by the Government of Bahrain, through a special purpose contribution. The Government Implementing Agency is the Ministry of Finance.

The development objective of the project is to support the industrialization efforts of developing countries and the establishment of a private sector-led economy in countries with economies in transition by identifying and mobilizing the financial technological, and other resources required for the establishment of business partnerships. More specifically, the project aims at mobilizing resources (finance, technology, know how, managerial support, etc.) from Bahrain to developing countries and economies in transition. The Investment and Technology Promotion Office (ITPO) in Bahrain was established in 1996 but had not been subject to any evaluation.

An independent evaluation was carried out in June/July 2008 in order to assess the results of the project and analyze the lessons learned. The evaluation was conducted in compliance with the UNIDO evaluation policy and the Technical Cooperation Guidelines and attempted to determine, as systematically and objectively as possible, the relevance, efficiency, effectiveness, impact and sustainability of the project. The evaluation team consisted of Ms. Margareta de Goys, Director of UNIDO Evaluation Group, Mr. Jaroslav Navratil, international consultant and Mr. Abdhul Rahman al-Awadhi, national consultant.

## Evaluation Findings

The interventions of the ITPO Bahrain are found to clearly be in line with Government priorities and policies and to contribute to the strategic objectives of UNIDO. The Office complements other institutions active in the area of investment and technology promotion, in Bahrain and in the region. Relevant interventions have been initiated to support the development of priority sectors; aluminum, water and renewable energy.

In order to address existing constraints to domestic investment promotion, the ITPO has embarked on the Enterprise Development and Investment Promotion (EDIP) Programme

and this has proven to be a worthwhile initiative. The EDIP Programme has promoted a large number of successful Bahraini entrepreneurs and led to the creation of many viable enterprises and employment opportunities. Through the EDIP programme the Office has been successful in addressing a key constraint to investment promotion, namely the small entrepreneurial base of the country. Given the scarcity of local entrepreneurs in Bahrain the attention paid to creating “a sound basis for the attraction of foreign direct investment“ is logical and relevant, even though it is not a usual function of an ITPO office. EDIP encompasses various components of business skills development, counseling and technology tie-up, financial linkages and incubation and growth programmes. The private sector representatives consulted by the evaluation team find the services of the Office relevant and there is a high demand to participate in the EDIP Programme.

The Office has also actively promoted EDIP in other countries, within the region and beyond. This has created visibility for UNIDO and enhanced the international and developmental aspects of the Office. Still the core funding of the Office is from the Bahraini Government and to mainly implement interventions in Bahrain.

The Office has achieved its objectives in terms of generating investments, promoting new technology and contributed to a more diversified Bahraini economy. Moreover, the office should be applauded for having successfully promoted women’s entrepreneurship and the role of women in economic development. Many projects promoted have been in the field of “clean” technology and can be expected to have positive effects on the environment.

The ITPO Bahrain has been very successful in promoting foreign as well as domestic investments. The volume of investments generated by projects promoted or supported by the ITPO Bahrain has, between 2005 and 2007, ranged from US\$ 100 to US\$ 325 million, annually. The ITPO Bahrain estimates that a total number of around 10,000 jobs have been created through these investments.

Furthermore, the Office has contributed to the achievement of economic development goals in other countries. In view of the dissemination of various instruments used by the Office, such as the EDIP, it will be important to assess their applicability in other countries and to develop benchmarks.

ITPO Bahrain has initiated constructive collaboration with Bahraini and regional institutions, other ITPOs, with UNIDO Field Offices and with many programme managers at UNIDO headquarters. The evaluation found that the Office is actively supporting UNIDO’s efforts in phasing out Persistent Organic Pollutants (POPs), combating climate change, promoting industrial energy efficiency and the promotion of renewable sources of energy. The Office often provides inputs to other projects, managed at the UNIDO Headquarters.

The collaboration with UNIDO’s Private Sector Development Branch and the Cleaner Production Unit has been limited, but there is a potential to also venture into these areas.

The Office is managed in an efficient manner and UNIDO and Government contributions have been provided as planned. The Office has been able to implement a large variety and number of interventions and has reached a high level of cost effectiveness. The ITPO staff members are highly qualified, dynamic and resourceful and this has contributed to the excellent reputation of the Office, within and outside Bahrain. Annual Reports and Work Programmes are comprehensive and serve as reporting, promotion and planning tools. In order to increase the usefulness of the Annual Reports, there is, however, a need for a more results-based approach and to establish coherent linkages to the targets specified in the planning documents (Work Programmes). So far the “world wide web” has only been marginally used as a tool for investment and technology promotion.

The ITPO Bahrain has excellent working relationships with its main counterparts and other partners in the country and notably with the Ministry of Finance, the Ministry of Industry, the Economic Development Board and the Bahrain Development Bank.

Close cooperation and strategic partnerships have, likewise, been initiated with many financial institutions active in the region. To this category belong; the Kuwait Finance House and the Islamic Development Bank. There is also fruitful collaboration with intergovernmental organizations such as Arab Gulf Fund for United Nations Development Organizations (AGFUND) and the Arab Science and Technology Foundation. Moreover, the Office has been successful in promoting South- South cooperation through capacity building programmes, business linkages and investment and technology promotion.

The office is playing an important catalytic role in the country and the region but it will be important to ensure that national capacities are developed to take on some of the functions presently fulfilled by the ITPO and to foster the emergence of private business service providers, for long-term sustainability.. The institution building aspect could be stronger both as regards investment promotion and the EDIP. This refers to Bahrain as well as to partner countries in Sub-Saharan Africa.

## **Recommendations to UNIDO**

- Review and update the Agreement with the host Government and initiate discussions with the Government on a three-year extension of the project.
- Procedural matters between UNIDO and the Government should be streamlined and the nature of agreements between the Governments and UNIDO clarified as well as procedures for the ITPO entering into agreements with non-UNIDO partners. To this extent, a policy should be developed and guidance provided to the ITPOs on rules and regulations in relation to external collaboration and in particular on entering into agreements and collaborative and contractual arrangements.

- Clarify the mandate and functions of ITPOs. In the case of ITPOs hosted by developing countries or economies in transition, encourage ITPOs to build investment promotion related capacities in the host country. Modalities, which can be interpreted as tied aid should be avoided and the international UN identity reinforced. Initiate discussions with host Governments on the possibility of financing development-oriented ITPO interventions in other countries.
- Introduce a system to allow ITPO's to charge for services provided to other UNIDO projects.
- The ITPOs should give priorities to promote industrial sector projects in order to align investment promotion to UNIDO's thematic priorities of poverty reduction through productive activities, trade capacity building and energy and environment and to increase value added and develop synergies, for higher impact, with other UNIDO programmes.
- Develop a specific "Invest in Africa Programme" promoting outward investment from the developed world and with targeted activities in the Middle East region.
- Develop a results based annual reporting system for ITPOs and drop the Four-monthly reporting requirement. Provide guidance for results based planning and reporting and RBM training to staff members of all ITPOs and IPU.
- Initiate more cooperation with other branches and programmes for an exchange of tools and best practices. In particular, the ITPOs should be informed about the PSD toolbox.
- Standardize the ITPO websites and strengthen mechanisms for sharing investment and technology related information within UNIDO.
- Assess the potential of promoting and using EDIP units, in countries where UNIDO does not have IPUs, to promote investment and technology transfers.
- Develop a global EDIP strategy and action plan and define the role of UNIDO Headquarters and ITPO Bahrain.

## Recommendations to ITPO Bahrain

- Assume a more catalytic role for higher outreach and potential impact and further develop capacities of national institutions and the private sector to take on the direct implementation of EDIP as well as of investment and technology promotion related interventions.
- Institutionalize EDIP in Bahrain
- Consider the possibility of ARCEIT becoming a fully-fledged regional organization with national antennas and its own funding and staff and function as the implementing agency of EDIP in the region. The ITPO Bahrain should have supervisory and quality control functions over an extended period. Increase the outreach and sustainability of EDIP through the development of master trainers.

- In the context of the above recommendation, clarify with the Government the status and future mandates, functions and tasks of ARCEIT and its relation with the ITPO Bahrain.
- The Office should establish a screening mechanism for reviewing and deciding on areas of support and on sectors/projects to be promoted.
- There should be a planning document covering the entire project (extension) period. This document should be complemented with Annual Work Programmes with more details on activities and outputs and including output indicators.
- Develop clearer linkages between the established objectives of the Office in the Work Programmes and the Annual Reports. Make the Annual Reports more results-based, in order to allow them to function as monitoring tools.
- The Annual Reports should be more specific about the role of the ITPO in the implementation of various interventions and try to specify to what extent it has contributed or attributed to various results. The Annual Reports should also try to go one step further and in addition to providing information on interventions initiated and implemented, also provide information about the results of the interventions.
- Specific outcome- and impact-oriented indicators should be developed in order to monitor and report on the effectiveness of the Office in achieving its objectives. These indicator should, preferably, be developed for entrepreneurial impact; changes in SME performance; turn over, profitability, investment (domestic and foreign), export and employment, changes in the economy; economic growth, industrial production, export, employment and poverty alleviation and institutional development; the establishment of new institutions and capacity building of existing institutions, out reach, service provision and sustainability and market development; availability and outreach of business development services (private and public), awareness and demand and trial and repeat usages.
- It would be an advantage if there were more internal assessment of the effectiveness and efficiency of the modalities promoted, and of what actually contributes to investment and technology promotion; Investment Forums, foreign delegations, IDEP, etc.?
- The effectiveness and efficiency of incubators as tools to promote SME development should be further assessed and validated in developing countries and the effectiveness and impact of EDIP evaluated.
- Implement the Delegate's Programme
- Look into the possibility of having delegates/trainees from Bahraini institutions.
- Tap the whole UNIDO and assess the utility, for ITPO Bahrain, of various tools and mechanisms developed by other UNIDO programmes, including REAP, SPX and Cleaner Production (CP). Involve the CP Unit in the preparation of the Forum on renewable energy and clean technology, organized together with the Crans Montana Forum Middle East Representative Office and develop joint activities.

- Integrate UNIDO/ PSD tools in the EDIP programme and liaise with the PSD Branch in order to foster coherence, within UNIDO, in the promotion of entrepreneurship, CSR and PSD.
- Allow for Internet searching under ITPO Bahrain and use the World Wide Web as an investment and technology promotion tool and as a Business-to-Business facilitator or host.

## Lessons learned

An ITPO can respond to identified constraints in the institutional set-up or in the business environment and develop innovative services to tackle the constraints. *There is no “one model fits all”*. The creation of a sound domestic base for the attraction of foreign direct investment can be a valid approach for an ITPO.

The ITPO Bahrain has been able to promote what could be defined as “*opportunity entrepreneurship*” as opposed to “*necessity entrepreneurship*” and the EDIP programme shows that entrepreneurs can be unleashed or created. The staff of the ITPO function more or less as business angels and maybe this “tool” should be explored for other UNIDO programmes and projects.

The line between investment promotion and entrepreneurship or private sector development can be thin and there is a need for a UNIDO coherent approach and increased dialogue between different branches.

Intensive contacts at the policy and institutional levels expand the project outreach, enhance its performance and magnify its results.

# 1

## Background and introduction

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The Investment and Technology Promotion Office (ITPO) in Bahrain was established in 1996 on the basis of an Agreement, signed in 1995 between the Government of Bahrain and UNIDO. The Agreement was concluded for an indefinite period with the stipulation that the Office shall be funded for renewable periods, each of a two- or three-year duration.

For internal UNIDO management requirements, project documents have been prepared and usually covering 4-year periods. The most recent project document “UNIDO Service in Bahrain for the Promotion of Industrial Investment in Developing Countries (Investment and Technology promotion Office)” was approved in 2005 by UNIDO. The project is scheduled for completion in December 2008. It is fully funded by the Government of Bahrain, with the Ministry of Finance as the counterpart agency.

The ITPO Bahrain forms part of a network of 13 ITPOs. The development objective of these Offices is to support the industrialization efforts of developing countries and the establishment of a private sector-led economy in countries with economies in transition, by identifying and mobilizing the financial technological, and other resources required for the establishment of business partnerships. According to the, above-mentioned, project document the Bahrain project/Office aims at mobilizing resources (finance, technology, know how, managerial support, etc.) from Bahrain to developing countries and economies in transition. This is also a stated objective in the Agreement, which has an additional objective of promoting industrial investment from abroad to the host country.

The Bahrain Office is thus devoted to outward as well as inward investments. In order to provide a conducive context for the latter objective, the ITPO Bahrain has initiated an Enterprise Development and Investment Promotion (EDIP) Programme, encompassing components of business skills development, counseling and technology tie-up, financial linkages and incubation and growth programmes.

The projects has a total allotment of about US\$ 2,2 million, out of which 89 % had been disbursed at the time of the evaluation, in June 2008.

Project No.	Total Allotment US\$	Total Expenditure US\$	% Total Disbursed
US/GLO/04/152	2,217,022	1,963,066	88,55

Source and date of information: UNIDO INFOBASE as of 3 June 2008



The purpose of this independent evaluation of the ITPO Bahrain was to enable the Government of Bahrain and UNIDO to have up-to-date information with regards to the following:

- the relevance of the ITPO and of the activities and programmes promoted
- the efficiency of implementation: quantity, quality, cost and utilization of resources, timeliness of UNIDO/ITPO inputs and activities, and ITPO management and coordination, in Bahrain and from UNIDO Headquarters
- the outputs produced and objectiveness achieved, as compared to those planned
- the impact and sustainability of results and benefits

The evaluation has focused on the activities carried out and the results achieved by the ITPO. In view of the many innovative approaches of the Office, it has tried to draw lessons of wider application for the replication of the experience gained, by this ITPO, for UNIDO's ITPO network and UNIDO's global programme. The Terms of Reference of the evaluation is found in Annex A.

Furthermore, the evaluation of ITPO Bahrain follows a set of evaluations of ITPOs (more specifically of ITPO Athens, Paris, Marseille, Rome and Tokyo) and will contribute to a broader review of the relevance and results of the ITPO Network.

The evaluation team was composed of Ms. Margareta de Goys, Director of the UNIDO Evaluation Group, Mr. Jaroslav Navratil, international consultant and Mr. Abdhul Rahman al-Awadhi, national consultant, representing the Ministry of Finance. The evaluation was carried out in June/July 2008, with fieldwork in Bahrain taking place between the 8 and 13 June. The members of the evaluation team were all fully independent from the policy, operations and management functions of the UNIDO ITPO Programme or the ITPO Bahrain.

# II

## Methodology

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The evaluation was conducted in compliance with the UNIDO Evaluation Policy and the UNIDO Technical Cooperation Guidelines and attempted to determine, as systematically and objectively as possible, the relevance, effectiveness, efficiency impact and sustainability of the project/Office. The evaluation assessed the achievements of the project against its objectives and outputs established in the project document, the Agreement with the Government and the annual Work Programmes, including re-examination of the relevance of the objectives and of the design. It also attempted to identify factors that have facilitated or impeded the achievement of the objectives.

The evaluation was carried out through analyses of various sources of information including desk analysis of the project documents, Annual Reports and Annual Work Programmes and interviews with various stakeholders. Interview guidelines were developed, in order to facilitate information collection and analysis, and were used in the interviews with stakeholders. These Interview Guidelines can be found in Annex B.

The analysis of relevant information included a review of relevant UNIDO policies and strategies, interventions implemented by the ITPO, management mechanisms applied (in particular planning, monitoring and reporting) and project specific framework conditions (in particular policy environment, counterpart institutions and related initiatives of the Government and the private sector) as well as minutes from meetings of Heads of ITPOs.

Prior to the field mission to Bahrain a number of UNIDO staff members, who have been associated with the work of the ITPO Bahrain, were interviewed. While in Bahrain, the evaluation team interviewed a number of stakeholders; ITPO staff members, Government representatives, representatives of a number of investment and technology promotion or FDI-related organizations, financial institutions and a large number of beneficiary companies and entrepreneurs. Meetings were held also with the counterpart institutions, the Ministry of Finance and the Ministry of Industry. During the field mission, the evaluation team was able to directly observe the staff of the ITPO Bahrain in action by visiting some on-going activities, such as the presentation of business plans by EDIP graduates and training of Iraqi EDIP coaches. The full list of persons consulted can be found in Annex C. The evaluation team also “visited” the ARCEIT web page.

While maintaining independence, the evaluation was carried out based on a participatory approach, which sought the views and assessments of all parties. Preliminary findings were presented at UNIDO Headquarters on the 18<sup>th</sup> of July 2008. Major stakeholders were given the possibility to comment on the findings and conclusions of the draft evaluation report.



# The ITPO Bahrain background information

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## Mandate and objectives

Article I of the Agreement between UNIDO and the Government of Bahrain, signed in November 1995, stipulates that the purpose of the Agreement is to establish a UNIDO Investment Promotion Service Office (IPSO) in Bahrain “in accordance with the objectives, recommendations and guidelines established by UNIDO’s policy making organs for such offices.” The Article I, moreover, empowers the Office to “promote industrial investment to other developing countries and countries with economies in transition, as well as industrial investment from abroad to the host country.” The functions, activities, operational methodologies and administrative arrangements are described in the Terms of Reference of the Office, attached to the Agreement as an Annex, thus forming a part of the Agreement.

The Terms of Reference specify the objectives as follows: The Office “...shall promote the mobilization of investment resources (finance, technology, know-how, market access, managerial support, etc.) from abroad to Bahrain, as well as from Bahrain to other developing countries and countries with economies in transition.”

## Location and staffing

The Office is centrally located in the capital city of Manama, in the building of the Bahrain Development Bank. The Office is well equipped and spacious, also encompassing rooms to be used for training events. In order to cope with the increasing scope of activities, the number of staff has been increasing. At the time of the evaluation, the ITPO Bahrain was headed by an international expert and employed, in addition, four national professional staff members and three administrative support staff. There has been some staff turnover during the last four years but the core staff including the Head is distinguished with high stability. All the members of the staff have excellent professional backgrounds and are well qualified for the tasks entrusted to them.

## Funding

The Agreement signed, in 1995, between UNIDO and the Government of Bahrain on the establishment of the UNIDO Investment Promotion Service Office (IPSO) in Bahrain stipulates that “the present Agreement is concluded for an indefinite period...” and that

“the IPSO shall be funded for renewable periods, each of a two- or three-year duration.” It was also stipulated that “Any amount of the annual contribution not spent at the end of the first year will be carried forward to be used for covering project expenditures during the following year.”

This evaluation covers the period 2005-2008. In this period the project was extended twice through an “Exchange of Letters”, indicating the extension period of two years and the related Government contributions. The Government contributions have been paid in several installments and always on time. Savings generated at the end of the previous project have, as foreseen, been transferred to cover expenditures in the following year. Thus, funding by the Government has been timely and in accordance with the terms agreed upon.

Moreover, the Economic Development Board (EDB) of Bahrain, through a letter dated 22 March 2007, agreed to provide US\$ 101,700 for a "Programme for Investment Opportunities Identification". The contribution was to be incorporated into the ITPO budget. As of May 2008, 50% of the contribution had been received. An overview of the 2005-2008 budgets and their funding sources is found in Table 1, below.

**Table 1**  
**ITPO Budget and Funding Received 2005-2008 (US\$)**  
**(as of May 2008)**

	Budget incl. 10% project support cost	Transfer of savings from previous years (a)	Government Contributions (b)	Contribution of the EDB (b)	Total funds (a) + (b) + (c)
2005-2006	1,149,619	82,492	1,067,127	-	1,149,619
2007-2008	1,238,270	-	1,238,270	-	1,238,270
Additional by EDB (in 2008)	101,700	-	-	50,850	50,850
<b>Total</b>	<b>2,489,589</b>	<b>82,492</b>	<b>2,305,397</b>	<b>50,850</b>	<b>2,438,739</b>

Source: UNIDO IPU Unit statistics

The above funding, reduced by 10% (to cover the project support costs), represents the financial resources, which have been at the disposal of the ITPO. There are no additional Investment Promotion (IP) projects funded or implemented by the ITPO Bahrain. However, the ITPO Bahrain participates in the implementation of several UNIDO-implemented technical cooperation projects and is on a cost-recovering basis increasing the funding base of its operations (see below under Allotments and Expenditures). Furthermore, the ITPO Bahrain manages to recover a part of the costs of its training interventions by fees, in the range of 20 – 90 Bahraini Dinars per participant and generating a small annual income of US\$ 5 000-10 000. The ITPO is, in addition, benefiting from the services of a Junior Professional Officer (JPO).

## Allotments and expenditures

As the unspent ITPO budget (savings) is transferred to the following year, UNIDO's financial system keeps adjusting the allotments to actual expenditures. The sequence and size of actual allotments and expenditures, for the period 2005-2008, is provided in Table 2.

**Table 2**  
**Allotments and Structure of Expenditures (2005-2008)**

Budget line	2005 Allotments = expenditures		2006 Allotments = expenditures		2007 Allotments = expenditures		2008 Allotments		2008 Expenditures as at 3 June and rate of implementation	
	\$	%	\$	%	\$	%	\$	%	\$	%
11 International experts	172,885	38,9	149,633	34,1	203,402	30,6	237,839	35,6	215,341	90,5
12 National professional officers	64,767	14,6	66,932	15,3	136,913	20,6	149,189	22,3	130,289	87,3
13 Administrative	51,746	11,6	68,407	15,6	61,988	9,3	79,358	11,9	34,332	43,3
15 Travel of staff	24,833	5,6	12,620	2,9	38,731	5,8	24,816	3,7	2,943	11,9
16 Other personnel costs	4,488	1,0	3,032	0,7	16,258	2,4	5,122	0,8	-	0
17 National experts	173		1,572	0,4	35,926	5,4	22,629	3,4	-	0
<i>Sub-total</i>	<i>318,892</i>	<i>71,7</i>	<i>302,196</i>	<i>68,9</i>	<i>493,218</i>	<i>74,1</i>	<i>518,953</i>	<i>77,6</i>	<i>382,905</i>	<i>73,8</i>
35 Non-UNDP meeting					9,359	1,4	5,641	0,8	-	0
43 Premises	68,034	15,3	71,010	16,2	65,249	9,8	86,907	13,0	12,179	14,0
45 Equipment	10,340	2,3	6,154	1,4	37,207	5,6	19,405	2,9	8,912	45,9
51 Sundries	45,002	10,1	54,911	12,5	54,921	8,3	31,223	4,7	8,927	28,6
55 Hospitality	2,196	0,5	4,267	1,0	5,627	0,8	6,309	0,9	561	8,9
Total	444,464	100	438,538	100	665,581	100	668,439	100	414,484	62,0

Source: UNIDO InfoBase August 2008

As for most other ITPOs, personnel costs (excluding travel) represent the largest cost segment of expenditures (about 70%). Expenditures for premises are the other major budget item. During the period under review, nothing was spent on the delegate programme (BL31).

Personnel costs were also the major increase in total expenditures in 2007 and of allotments and expenditures in 2008. The reasons behind the increases were twofold: 1) recruitment of international experts to start implementing the "Programme for Investment Opportunities Identification", and 2) general expansion of activities linked to the success of the EDIP programme and its dissemination to other countries. The increasing number of participants at EDIP programmes (65 in 2005, 81 in 2006 and 91 in 2007) in Bahrain alone and the resulting accumulation of entrepreneurs eligible for longer-term support and business counseling was also a cause for increases in staff and other personnel-related inputs.

It should be noted, however, that the introduction of the EDIP programme in new countries was often carried out through separate UNIDO Headquarters-managed technical cooperation projects and implemented only partially by the ITPO Bahrain. The ITPO Bahrain was, in addition, involved in the implementation of other UNIDO technical cooperation projects and primarily in the field of investment promotion. In both cases the travel costs of the ITPO staff were borne by the other UNIDO projects, while the staff-time of the ITPO staff, involved in the implementation of these UNIDO projects, remained a charge to the ITPO Bahrain. This arrangement allows using some ITPO staff time and expenditures for the benefit of other UNIDO HQs projects but puts increasing demands on the ITPO Office.

The evaluation mission was informed that a new system was being discussed, allowing the ITPO to charge for services (staff time) rendered to other projects. This would allow to further increase staffing in the ITPO (without increasing the core budget) but would also reduce the development aspect of the host Government contribution.

# IV

## The ITPO context

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### UNIDO strategic and organizational context

#### Brief history

Investment and technology promotion has been an integral part of UNIDO services from the very beginning but its concept has been continuously changing. At the General Conference in Yaoundé (1993) “international cooperation in industrial investment and technology” became one of the five development objectives of the Organization. At the time, the Investment Promotion Service (IPS) offices were seen as instruments to support the achievement of the above objective. The other instruments were investment forums, technology transfer meetings (TECHMARTs), training workshops on investment project formulation and appraisal and on transfer of technology as well as institution building projects to strengthen investment promotion agencies (IPAs) and investment-oriented policy bodies in developing countries. Various software packages (PROPSPIN, COMFAR, DIPP) were developed to support these services and other methodological tools were made available in hard copies (Manual for the Preparation of Feasibility Studies, plant profiles published in several volumes on “How to Start Manufacturing Industries”, Model Forms of Transfer of Technology Contracts, etc.).

In order to distinguish the IPS offices from other investment promotion agencies and in order to avoid duplication and create value added, UNIDO aimed at going beyond sole matchmaking and at providing advice and assistance to the negotiating partners, making use of the professional competence of the organization and of the above software tools. The other distinguishing feature was the “UNIDO quality stamp” approach applied to the promoted projects: the standard format for the Industrial Investment Project Profile (IIPP) required very detailed project information in order to allow for a preliminary financial assessment. External experts were often needed and used to produce such profiles (particularly for the investment forums).

The UNIDO 1997 Business Plan reoriented UNIDO’s activities from supporting individual companies to institutional capacity building and policy advice. Special emphasis was laid on supporting the Least Developed Countries (LDCs) and particularly those in Africa. As a result, the preparation of project-specific feasibility studies was discontinued and, from the software tools, only COMFAR survived, more or less as an isolated reminder of the once extensive toolbox. New tools were developed such as BEST, FIT and PHAROS, but these were primarily suited for economic analysis of existing companies, though in principle applicable also in the cases of extensions. However, in real terms, their use in investment promotion has been minimal, if any. The integration of investment and technology promotion resulted in the renaming of IPSs into ITPOs.

## The UNIDO ITPO Network

Currently, there are 13 Investment and Technology Promotion Offices<sup>1</sup> that form part of the UNIDO ITPO Network. In addition to these ITPOs, the Network includes four Investment Promotion Units (IPUs), which are all located in the North African region.<sup>2</sup> The first ITPOs were established in the early 1980s. Since that time, as UNIDO and member countries' priorities evolved, some ITPOs were closed (for example in Switzerland, Germany and Poland) and several new ones were opened, to arrive at the current scope of the Network.

The ITPOs were established on the basis of Agreements between UNIDO and the Governments of the host countries and have been funded through Government contributions, of the latter, to the Industrial Development Fund (IDF) or through Trust Fund (TF) agreements. The four IPUs have been funded through contributions of the Government of Italy to the IDF. In most cases, the ITPO staff members have been recruited by UNIDO but the majority have been nationals of the host Governments.

Due to different host country characteristics and policies, the ITPOs differ in terms of geographical and programmatic priorities, size of the budget and number of staff. In terms of annual budgets, the ITPO budgets range from well below Euro 100 000 (Moscow, and Marseille) to those above Euro 1 million (Italy). The smallest ITPO has two staff members and the largest, Italy, may at times have a dozen members of staff. It should be noted that some ITPOs manage to mobilize extra-budgetary resources and that their staffing – in terms of short-term consultants - may significantly exceed the levels provided in the project budgets.

During the 1980s and 90s, the ITPOs were entrusted with the task to identify and mobilize investors in the developed countries for project opportunities formulated for and presented at investment forums organized in the developing world and (later) in countries with transition economies. As a rule, some interested investors mobilized by the ITPOs participated in these forums and were accompanied by ITPO staff. It was therefore logical that the first ITPOs were mandated with outward investment only and, in principle, were established only in the developed world.

The most recent policy document on ITPOs is the “Guidelines for the Functioning of the Investment and Technology Promotion Offices”, approved by Decision 18 of the 2003 General Conference. According to these Guidelines, the objective of ITPOs is “...to contribute to the industrial development and economic growth of developing countries and countries with economies in transition...” .Two aspects of the Guidelines are worth noticing: 1) they do not specify any geographical or developmental priority in the enumeration of activities and 2) they list primarily information dissemination, matchmaking and capacity building services, as services to be provided by ITPOs. Downstream advisory services are confined to assisting “both parties in their negotiations

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<sup>1</sup> Athens, Beijing, Bahrain, Italy, Marseille, Mexico, Moscow, Paris, Seoul, Shanghai, Tokyo, UK, Waloon

<sup>2</sup> Egypt, Jordan, Morocco, Tunisia



and in completing pre-investment activities up to the stage at which the parties can conclude a written agreement to implement the project”.<sup>3</sup>

The 2003 Guidelines were followed up by the elaboration of an ITPO Network Strategy (April 2004). This Strategy consisted of three key elements: 1) a UNIDO-wide single searchable database (UNIDO Exchange), promoting investment, technology and other partnership opportunities and embracing ITPOs, Subcontracting Exchanges (SPXs), National Cleaner Production Centres (NCPCs), International Technology Centres and UNIDO Field Offices 2) the ITPOs were to develop special targeted initiatives, attractive to the industry in the host countries. Such targeted initiatives would involve close cooperation with specific branches or programmes of UNIDO and 3) the expansion of the Network by including independent organizations with similar objectives. The Strategy has only been partially implemented. As an example, UNIDO Exchange failed to become an operational and attractive single database of business opportunities.

Neither the Guidelines nor the Network Strategy mention activities other than investment and technology promotion. Yet, ITPOs in industrialized countries have sometimes been expected to play a role of representing UNIDO in the country or to promote a large range of UNIDO activities. For this reason and in order to implement the Strategy in terms of expanding the network through strengthened linkages to other UNIDO networks, including UNIDO Field Offices, during a couple of years, the management of the ITPO Network was subsumed under the Programme Coordination and Field Operations Division. In 2006, it was transferred back to the Programme Development and Technical Cooperation Division (PTC) and became again a part of the Investment and Technology Promotion Branch.

The management of the ITPO Network has been and still is the responsibility of the ITPO Coordination Unit (ICU). This unit is presently staffed with one professional (the ITPO Coordinator) and two general service staff members. However, for almost one year, the position of the ITPO Coordinator was vacant and it was only in March 2008 that a new ITPO Coordinator was appointed and started discharging his coordinating functions.

While the ITPO Network Strategy and the organizational position of the ICU have been subject to concrete changes, the operational tools and guidelines (such as the IPS Manual, issued in 1996) have only been subject to ad hoc and partial amendments. For instance, a simpler Company Project Profile has replaced the Industrial Investment Project Profile (IIPP). According to many stakeholders, not only do the operational tools require profound updating (including the need to adopt RBM principles in the monitoring and reporting systems etc.) but also the concept of investment and in particular technology promotion and the related mandate and concept of ITPOs and of the ITPO Network require a comprehensive review.

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<sup>3</sup> The formulation “to conclude a written agreement” allows different interpretations; on the other hand the activity assumes a partnership as if it did not acknowledge the option of 100% foreign ownership.

# The Institutional context of Bahrain

## Macroeconomic context

The Kingdom of Bahrain consists of a series of islands in the Arabian Gulf. It has been a trading nation for centuries and has today a well-developed financial sector. Bahrain has to cope with shortages of both surface and underground water but it was the first country in the Gulf to discover crude oil.

The Bahrain Oil Company refinery, the first refinery in the Gulf was built in 1935 and has currently a capacity of about 40 000 m<sup>3</sup> per day. Oil and gas and their processing are still the dominating sector in Bahrain (30% of GDP, 60% of export earnings and 60% of Government revenues) but as the oil reserves are limited and shrinking (most of the crude oil processed in the refinery is piped from Saudi Arabia or from fields shared with Saudi Arabia), the country has embarked on a diversification of the economy.

Today, Bahrain operates the world's largest aluminum smelter with an annual production of 750 000 metric tons as well as several other aluminum-related plants. Major investments have also been made in an iron ore palletizing plant and a shipbuilding and repair yard. However, the most heralded results of the diversification are in the financial sector and Bahrain has become one of the main banking hubs in the Gulf region. Another growth sector is tourism. The country enjoys a high level of monetary and financial stability.

Altogether, the non-oil sectors have grown faster, in recent years, than the oil sector and have thus become the main drivers of economic growth. In 2005-2006 the GDP grew by almost 8 % due to strong expansion in financial services, construction and manufacturing and made Bahrain one of the fast growing economies in the region. This had positive social implications and unemployment has been reduced from 15 % to 4 %, in 2007.

Economic growth was accompanied not only by an increase in the number of Bahraini employees (but even more by the increase of non-Bahraini labour. Thus, in the course of 3 years (2005-2007), the share of the non-Bahraini workforce increased from 70 % to 75 % of total employment.

Bahrain benefits from a liberal economic policy and women's empowerment initiatives. The open and liberalized economy is attractive for foreign investors. Foreign companies have the right to open branches without the need for a local partner and are exempt from taxes on their revenues or profits with the exception of the social security and unemployment insurance taxes. Investors also benefit from low-cost labour and inexpensive energy. By the end of 2007, the total active number of commercial registrations of individual establishments and companies stood at 75,303, out of which the individual establishments and their branches represented 61,295 and companies and their branches 13,378 (including 339 industrial companies).

# The Bahraini Institutional set-up

## Public sector organizations and institutions

### The Ministry of Industry and Commerce (MOIC)

The Ministry of Industry and Commerce (MOIC) has five substantive Directorates: Industrial Areas, Industrial Investment, Industrial Development, High-tech and Informatics, and Small Industry and Crafts. The Industrial Directorate is charged with the responsibility to:

- Initiate and implement projects and programmes that will integrate and broaden the production base
- Promote industrial investment opportunities to stimulate and attract local, regional and international investments
- Encourage the transfer of technology.

In order to fulfill its functions, the Ministry organizes or co-organizes investment forums, business meetings and trade fairs. On its website and through various publications the Ministry promotes industrial investment projects, often prepared and formulated in cooperation with UNIDO or the Gulf Organization for Industrial Consultancy.

Moreover, the Industrial Investment Directorate is in charge of industrial licensing and reviewing industrial laws. It also maintains a database on commercial registrations of all industrial companies. To facilitate a smooth administration of the investment process, the Ministry has established the Bahrain Investor's Centre (see below).

The Small Industry and Crafts Directorate have the responsibility to:

- Provide consultancy, administrative and industrial support to develop and improve the small, medium and craft industries
- Develop relevant financial support programmes
- Develop technical training programmes for craft industries

In December 2006, a SME policy was promulgated. It pays great attention to encouraging the first generation of entrepreneurs and to facilitate access of Small and Medium Enterprises to credit and technology.

### The Bahrain Investor's Centre (BIC)

The Bahrain Investor's Centre (BIC) was established by the Ministry of Industry and Commerce in 2004, with the purpose to facilitate commercial registration of both domestic and foreign businesses. The BIC brings together and makes available services of approximately 20 Government and private organizations, including financial institutions.

As such, approximately 80 % of commercial registrations can be completed with a single visit. The BIC also provides pre-registration and post-registration services. It is serving 100 to 150 clients daily, out of which slightly over 50% are non-Bahrainis.

### **The Bahrain International Investment Park (BIIP)**

The Bahrain International Investment Park (BIIP) is currently being developed by the Ministry of Industry and Commerce. It is designed to attract high value-added projects that will help to create quality local employment and develop high-level investments. The park offers attractive incentives to foreign investors.

### **The Ministry of Finance**

The Ministry of Finance (MOF) is responsible for formulating and implementing the financial policies of the Kingdom. It prepares the General State Budget in coordination with line Ministries and Government institutions. The Ministry is also responsible for international agreements. It is the Government counterpart agency of the ITPO project.

### **The Economic Development Board (EDB)**

The Economic Development Board (EDB) formulates and oversees the development strategy of the country. Chaired by the Crown Prince, the Board of Directors includes public as well as private representatives. The EDB is also responsible for promoting an attractive investment climate and for marketing Bahrain abroad. The EDB is hosting the OECD-MENA Centre (see below).

### **The Bahrain Development Bank (BDB)**

The Bahrain Development Bank (BDB) commenced operations in 1992 as the Kingdom's premier Developmental Finance Institution and aims at promoting investments in Bahrain, with a view to diversifying the economic base.

The BDB has continuously been reviewing its mandate and adjusting it to new requirements. In 2005, it started to service also small traders and entrepreneurs in fisheries and agriculture. By enlarging its branch network and scope of services, the BDB aims at reaching out to Bahraini nationals and provide them with access to numerous BDB services.

It offers competitive interest rates, free business advisory and financial consultation services, financing of new and existing business ventures (up to 100 % of project costs), short-term and long-term loans, long repayment periods, comfortable grace periods and assistance in identifying local partners for foreign investors. Together with the Ministry of Industry, the BDB supports the implementation of the EDIP programme, developed by the ITPO Bahrain. This is done both through the active participation of BDB staff in the EDIP training events and by preferential treatment of loan applicants who have attended the EDIP programme. The increasing number of the entrepreneurs that has been generated by the EDIP Programme together with BDB's increased focus on SMEs have contributed to a growth of the BDB loan portfolio:

**Table 3**  
**Applications for loans, by year**

	Number of applications	Value (BD Mill.)	Average loan (BD)
2000	36	3,6	100 000
2002	205	5,8	28 195
2007	744	36,0	48 387

1) Source: Internal BDB statistics

The number of loan applicants reached 744 in 2007 and the average loan amounted to BD 48 387. Actual disbursement is lower than the value applications but this is normal; in 2007 out of BD 36 million applied for, BD 19,4 million were actually approved and disbursed. Repayment of loans depends on the success of the projects: on average, 50-55 % are qualified as full success, 10-15 % as failures, and the rest as cases requiring corrective measures.

In 2002, approximately one third of loan applicants had benefited from EDIP training. With the increasing number of applicants, the share of EDIP trainees decreased. Currently the EDIP programme can assist approximately 100 entrepreneurs on an annual basis. However, the BDB is aiming at servicing 4 000 SMEs annually and would prefer that a large share (*they spoke of 1000*) benefit from the EDIP programme.

The BDB also owns and operates the Bahrain Business Incubator Centre (BBIC), established with technical assistance from UNIDO. The Centre, which was inaugurated in 2003, provides start-ups and developing businesses with subsidized rental space and a range of business services, including individual counseling. The BBIC hosts approximately 30 tenants. About 70 % of the tenants are BDB clients, and about 65 % participated in the EDIP programmes. The rate of success was assessed at 70-75 % by the BBIC management.

There are 5 staff members attached to the Centre, which is subsidized by the BDB, in line with the Government commitment to support entrepreneurship development. During the 5-year operation of the BBIC, 15 companies have graduated but there have been many more candidates for admission. The unmet demand for business premises will, to some extent be alleviated by the planned BBIC expansion and development of two new industrial zones adjacent to the BBIC. The World Bank subsidiary InfoDev has selected the BBIC as the focal point of the MENA Incubator Network.

## The Labour Fund (LF)

The Labour Fund (LF) is, together with the Labour Market Regulatory Authority (LMRA), one of the two entities responsible for the Labour Reform, one of the major socio-economic reforms initiated by the Government in recent years. The Labour Fund is a semi-autonomous yet independent authority that is funded by the Government and it is active in the area of job creation and social support. Its main objectives are:

- To support Bahrainis to become the employees of choice

- To support high quality private sector job creation
- To help the private sector cope with the impact of labour market reform.

To achieve these objectives, the LF invests in upgrading of the cost and quality competitiveness of Bahrainis (e.g., investment in skill and attitude improvement programmes for Bahrainis). It has signed agreements with Shamil Bank, the Venture Capital Bank and the BDB to make loan provisions easier to SMEs through subsidized loans.

## **Bahrain Training Institute (BTI)**

The Bahrain Training Institute provides training in Mechanical Engineering, Electrical & Electronics Engineering, Motor Vehicle Engineering, Instrumentation Engineering, Chemical Engineering, Civil Engineering, Art & Design and Information Technology. Approximately 500 trainees graduate annually.

During 2000-2003 all graduates of the Institute undertook, in the final year of training, the Small Business Start up and Management modules that required them to present a group business plan but these modules have been discontinued.

## **Private sector organizations**

### **The Bahrain Chamber of Commerce & Industry (BCCI)**

The Bahrain Chamber of Commerce and Industry (BCCI) provide various support services to its members. Among others, the BCCI circulates information regarding the investment climate in Bahrain and abroad, as well as information about trade missions, forums and exhibitions, seminars and investment opportunities. The BCCI also responds to enquiries and circulates inquiries received from producers and businessmen abroad that are looking for partners, agents or local suppliers. The BCCI has established a committee to mobilize policy support and provide services specifically to SMEs. The BCCI also undertook an initiative to establish an independent centre for supporting the SME companies, affiliated to the BCCI.

### **The Innovation Bank and the Family Bank**

The Innovation Bank and the Family Bank are new banks that have recently been licensed by the Central Bank of Bahrain and are expected to start operating soon. Their main operations will focus on micro financing, in the handicrafts and food-processing sectors. Another objective of these two banks is to offer practical training to people belonging to low income groups. The Innovation Bank was established by and is affiliated to AGFUND, while the Family Bank is affiliated to the Ministry of Social Development.

## **International and Regional Organizations**

### **The Kuwait Finance House (KFH)**

The Kuwait Finance House (KFH) was established in 1977, as the first bank operating in accordance with the Islamic Shari'ah Laws. It is listed on the Kuwait Stock Exchange. The KFH provides a wide range of products and services, including banking, real estate, and trade finance and investment portfolios. The KFH has established independent banks in Turkey, Bahrain, and Malaysia. Moreover, it has stakes in other Islamic banks.

The KFH is, within the Bahrain International Investment Park, developing an independent, state of the art industrial area referred to as the Industrial Oasis.

### **The Islamic Development Bank (IDB)**

The Islamic Development Bank (IDB) has 56 countries as its members. The Bank's principal office is in Jeddah, Saudi Arabia. The purpose of the Bank is to foster economic development and social progress in member countries and Muslim communities in accordance with the principles of the Shari'ah Law.

To this effect the Bank can participate, in the form of equity investment or non-profit loans, in productive projects and enterprises and provide financial assistance to member countries for economic and social development. It also assists in the promotion of foreign trade, especially in capital goods, among member countries and provides technical assistance to member countries.

### **The Arab Gulf Fund for United Nations Development Organizations (AGFUND)**

AGFUND is a non-profit, regional development institution supported by leaders of the Arab Gulf States. It is supporting sustainable human development efforts, targeting the most needed in developing countries and particularly women and children. The promotion of micro-financing schemes belongs to priority interventions. AGFUND has also been involved in the establishment of a number of Arab regional institutions, including the Arab Council for Childhood and Development, the Arab Women Centre for Research and Training, the Arab Network of NGOs and the Arab Open University. AGFUND cooperates with the ITPO Bahrain in transferring EDIP to Arab and African countries, such as Syria, Lebanon and Manu River Union Countries.

### **The Arab Open University (AOU)**

The Arab Open University (AOU) in Bahrain is one of 7 branches of the Arab Open University. The AOU works to develop human resources in the Arab World and provides exposure to and use of current technologies. The AOU uses a variety of methods for distance learning. It offers two courses: Master of Business Administration (MBA) and Master of Information Technology (MIT). It has already introduced the EDIP programme as a subject within the Masters Degree in Business Administration.

## **The Arab Science and Technology Foundation (ASTF)**

The Arab Science and Technology Foundation (ASTF) is an independent, non-governmental, non-profit, regional and international organization. As part of its diversified technical activities, the ASTF has organized and sponsored a number of scientific and other events, such as the International Forum on Investing in Technology, which is the largest forum of its kind in the Arab world.

## **The OECD/MENA Investment Centre**

The OECD/MENA Investment Centre is a small centre hosted by the Economic Development Board. Its purpose is to attract foreign direct investment to the Middle East and North Africa region, through technical assistance, organization of workshops and compilation and dissemination of data.



# V

## Design and management

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### The Agreement and Work Programmes

The ITPO Bahrain Project Document is mainly used for internal purposes and does not govern the relationship between the ITPO and the Bahraini Government. Thus the only legally binding document between UNIDO and the Government of Bahrain is the Agreement signed in 1995, including its Annex consisting of the Terms of Reference of the Office. The functions and activities outlined in the Terms of Reference were derived from the, in 1995, valid Resolution GC.3/Res.19, approved by the General Conference of UNIDO in November 1989. As explained in the Context Chapter, the most recent policy document on ITPOs is the “Guidelines for the Functioning of the Investment and Technology Promotion Offices”, approved by Decision 18, by the General Conference in 2003. While the Agreement provides for the possibility of amendments, no use has been made of this provision, in terms of updating the Terms of Reference. In reality, the functioning of the Office has been guided by the annual Work Programmes. These annual Work Programmes have formed the basis for Government approvals and the contractual relationship between UNIDO and the Government during the period of review.

The annual Work Programmes for 2006, 2007 and 2008 define the ITPO services as follows:

- 1) Facilitating the attraction of foreign investment and technology through the mobilization of domestic capital and enterprise development by assisting local entrepreneurs collectively in the pre-investment activities as well as creating linkages with financial institutions and local partners
- 2) Sourcing financial support and linkages for SMEs through the various financial schemes available in Bahrain and the region
- 3) Promoting investment and technology transfer through the UNIDO Exchange and the ITPO Network
- 4) Assisting existing enterprises in upgrading/growth by assessing their needs and defining the appropriate interventions through counseling and business advice in order to create a sound basis for the attraction of foreign direct investments

The proposed interventions in the Work Programmes are structured as follows:

- 1) Industrial Partnership Promotion
- 2) Other Programmes
- 3) Cooperation with Local, Regional and International Organizations

The first section provides information on specific outputs with appropriate performance indicators, the second describes programmes to be formulated and launched while the

third section summarizes the envisaged cooperation with numerous organizations and institutions.

Most of the substantive programmes and activities of the ITPO are mentioned under the first section - Industrial Partnership Promotion. These include both standard investment promotion activities (investment forums, technology exhibitions, pre-investment studies, training on project formulation and appraisal, advice on technology parks, etc.) and activities aiming at the development of entrepreneurship through the Enterprise Development and Investment Promotion (EDIP) Programme.

For each programme, specific outputs have been developed and for each output; objectives, activities and performance indicators. As such, the Work Programmes form a good basis for project planning, implementation and monitoring. There is, nevertheless, room for improvement as concerns 1) the development of more specific outputs in terms of the products and services which are expected to result from various interventions and 2) a more direct link between the output and the performance indicator.

It would, for example, be useful if indicators could go beyond “number of technology offers promoted”, “number of bilateral meetings” or “number of companies participating” and to go one step further and also indicate, for example; “projects concluded”. The evaluators also miss objectives and indicators at the outcome/programme level. It was also noticed that for some outputs the indicators were missing. Furthermore, in relation to the Output 1.8 (Work Programme 2008); “Institutionalizing the Bahrain Model through Capacity Building Programmes”, the indicators provided are *number of counselors/ experts trained* and *Management Unit established* and it would have been an advantage if indicators could also have been developed as to which capacities should be at hand, for a functioning Management Unit.

For the second part of the Work Programmes; 2. *Other Programmes to be formulated and launched*, there is often an absence of outputs and indicators and the objectives stated are more or less formulated as activities.

Some activities mentioned in the Work Programmes seem to have been dropped. As an example, in the 2006 Work Programme, there is a reference to “Capacity building of Investment Promotion Agencies (IPAs)” and “Organization of Delegate Programme at selected ITPOs” but there was no reference to these activities in the Annual Report covering the same year.

Also noticeable is the relatively large number of national and regional centers that are to be established, according to the Work Programmes; only the 2006 Work Programme has among its “objectives” the establishment of 7 distinct centers, ranging from a Franchising Center to a Technology Transfer Center.

Another observation was that many outputs of the 2006 and 2007 Work Programmes were the same and the related performance indicators identical. The evaluation team understands that the preparation for some events takes more than one year but would argue that sub-outputs to be produced for each year should be specified in each Work

Programme in order to allow for these to function as proper planning and monitoring tools.

Another weakness is that the Work Programmes (and the Annual Reports) do not distinguish between, on one hand, the ITPO activities fully financed by the Bahraini Government and targeting Bahraini institutions and existing and future entrepreneurs and, on the other, activities of other UNIDO implemented projects, to which the ITPO is contributing partially, on a cost recovery basis, but that are not the sole responsibility of the ITPO. Examples of the latter are UNIDO projects to transfer the EDIP programme to other countries (Uruguay, Sierra Leone), training of Iraqi business counselors in Bahrain, the Investment Promotion and Technical Assistance Programme (ITAP), assistance to the Kuwait Finance House for the development of a business plan to set up a technology park in Bahrain. As a result it is difficult to relate project outputs to project interventions and activities and to assess cost-effectiveness and efficiency in implementation. Another issue is the limited connectivity between the Work Programmes and the Annual Reports.

## Management by UNIDO

- 1) The ITPO Programme is managed by an ITPO Coordination Unit (ICU) with one professional staff member - the ITPO Coordinator - and two general service staff members. From April 2007 until March 2008, the post of the ITPO Coordinator was vacant but in March 2008 an experienced UNIDO staff member was appointed Chief of the Unit.
- 2) The operational management of the ITPOs, by the ICU, is guided by the IPS Manual, issued in 1996 and which has been partly revised. Rules for the contracting of staff and procurement of equipment are spelled out in this Manual and for the planning, reporting, and monitoring of activities and results some standard formats are prescribed (Annual work programmes, Four-monthly reports, Back-to-office-mission-reports, etc.) but their use seems to have been left to the discretion of the ITPOs, as many, such as the ITPO Bahrain, do not produce the Four-monthly reports.

In substantive terms, the ITPO Bahrain is supported by the Investment and Technology Promotion (ITP) Branch, which is holding allotments for most UNIDO HQs projects, in the implementation of which the ITPO Bahrain is involved. Besides, the ITPO Bahrain supports some interventions in the region under preparation or implemented by other Branches and Units, for instance the Stockholm Convention Unit.

Collaboration with the Private Sector Development (PSD) Branch has been limited and there might be a need for a more coherent view on modalities and tools that are promoted by the PSD Branch and the ITPO (CSR, entrepreneurship development).

The evaluation team also found that the ITPO Bahrain is collaborating with a large number of public and private, national and regional institutions. These collaborations are guided by, more or less formal, working arrangements.

## Internal management

The Head of the ITPO Bahrain has distinct leadership qualities including dynamism and proneness for innovative solutions, long-term experience and a vast network of personal contacts with professional and financial organizations and policy bodies and not only in Bahrain but throughout the region. The internal management of the ITPO is facilitated by the fact that the other members of the staff are equally qualified and dedicated to achieving results. Responsibilities for individual interventions are assigned to a “core” staff member, with another member of the team standing by as “subordinate”. Once in every two to three weeks there is a staff meeting to monitor the progress of activities and to decide on the tasks ahead. Back-to office mission reports are properly filed.

The ITPO Bahrain has a database of participants of EDIP programmes and monitors their development during a rather long period, which has been as long as three years. The monitoring entails collecting information on job creation and wealth accumulation. Due to frequent contacts with a large number of trainees, through continuous individual counseling and follow-up and the mutual trust developed between ITPO staff and the entrepreneurs, the ITPO is in a position to generate feedback on the impact of entrepreneurial activities. There is also a system to monitor projects promoted and concluded.

## Reporting to UNIDO, and the Government

As the Four-monthly reports are not prepared, the reporting to the Government and to UNIDO mainly takes place through the Annual Reports. These reports also serve the purpose of promotion and are targeting various stakeholders; the Bahrain Government, UNIDO management and potential partners. While the Work Programmes follow result-based principles and the outputs are normally defined in terms of indicators, the structure of Annual Report is not the same as in the Work Programme and we find, as mentioned above, limited reporting on the achievements of targets and indicators for individual outputs. In addition, it is difficult from the Annual Reports to distinguish between successes that can be attributed to the Office and successes to which the Office has contributed. This limits the usefulness of the Annual Report as a monitoring tool. This is a drawback particularly for UNIDO, while the Government is being updated on a regular basis, through frequent contacts with the ITPO Head.

# VI

## Relevance

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### Relevance to Bahrain

The ITPO Bahrain is highly appreciated by the Bahraini Government, which considers that the interventions of the Office are well in line with national needs and priorities. The Office and its activities fit into the Government strategy of sustaining economic growth, diversifying the economy, providing employment opportunities and gradually moving away from a petrol-based economy to a more diversified economy, incorporating a solid industrial base. Thus, the promotion of inward investment and new technology fits well into this ambition. Also the outward investment focus is deemed relevant in view of the surplus economy and a wish to find investment opportunities abroad. The fact that Bahrain is a financial center, in the Middle East region, is also a valid reason for the hosting of an ITPO.

In addition, the ITPO Bahrain contributes to the achievement of the objectives of the Bahraini Government to integrate the global economy, foster Private Sector Development (PSD) and generate employment opportunities. Priority sectors of the economy are aluminum, new technologies, water, and renewable energy and the Office has been able to provide support to the development of these sectors. The dominant and growing sector of the economy is aluminum and the Office has, in particular, implemented valuable activities and contributed to the strengthening of this sector. Another area of activities, where stakeholders expressed their appreciation and confirmed the high relevance was water technology.

The initiation of the EDIP Programme responded to an identified need and a certain weakness of the economy in that there was, nationally, a very small entrepreneurial base and relatively few small and medium enterprises, which could be partners in investment ventures. The rationale for EDIP is thus that in order to promote investment (foreign and domestic) you need an entrepreneurial base. The EDIP programme has been able to live up to its expectations and generated a substantial number of entrepreneurs. The fact that AGFUND and the Islamic Development Bank has adopted EDIP and is promoting it as a tool, in the Arab World and beyond, is another proof of its relevance. The EDIP Programme also responded to a weakness of the institutional environment and a need to provide business development services.

The ITPO Bahrain is active in inward as well as outward investment and representatives of the Government were of the opinion that both mandates were important and relevant, in view of the need to diversify the national economy and the availability of surplus finance. The initiation of activities specifically targeting entrepreneurship development are likewise

considered to be needed and to address existing constraints to domestic investment promotion and to complement Government programmes and instruments, such as the credit programme managed by the Bahrain Development Bank (BDB).

A close collaboration between the ITPO and the BDB has materialized, which is also a proof of the relevance of the ITPO and can be understood in the light of their common objectives of establishing entrepreneurship and developing the private sector. Many of the entrepreneurs promoted by the ITPO Bahrain have been able to generate employment opportunities and in view of the fact that there is an estimated number of approximately 900 000 unemployed youth in the region these contributions are welcome. One area, which was found to be of less relevance, to the Bahrain private sector, was outward investment promotion and in spite of efforts by the ITPO, there has been relatively low interest to invest in Least Developed Countries. It is also noticeable that there has been limited interest in the Delegate Programme.

## **Relevance to UNIDO**

The most recent policy document on ITPOs, the “Guidelines for the Functioning of the Investment and Technology Promotion Offices” (2003) states that the objective of ITPOs is “...to contribute to the industrial development and economic growth of developing countries and countries with economies in transition...”. The evaluation team found that the ITPO is contributing to industrial development and economic growth in Bahrain as well as in other countries, through the promotion of EDIP. The evaluation team also took note of the fact that interventions do not exclusively target industrial investments but also the service sector, which is of less relevance to UNIDO.

The ITPO Bahrain has extended cooperation with many UNIDO Headquarters based programmes and has facilitated the cooperation between UNIDO Headquarters and the Bahraini Government, in areas such as the elimination of POPs and water technologies. There are many other UNIDO programmes and services which might be of relevance to Bahrain but where the interaction, so far, has been limited. To this category belong the Cleaner Production and the Transfer of Environmentally Sound Technologies.

# VII

## Effectiveness

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Under this chapter we will discuss the effectiveness of the ITPO in terms of achieving its stated objectives. To recapitulate, the development objective of the project/Office is to support the industrialization efforts of developing countries and the establishment of a private sector-led economy in countries with economies in transition by identifying and mobilizing the financial, technological, and other resources required for the establishment of business partnerships. The original Agreement, on the establishment of the UNIDO Investment Promotion Service Office (IPSO) in Bahrain, between UNIDO and the Government of Bahrain makes reference, under Article 1, to objectives established by UNIDO “for such offices”. At the time the original Agreement was signed these offices were referred to as UNIDO Investment Promotion Service Office and later on as ITPOs. Article 1.2 of the Agreement states that the Bahrain IPSO “shall promote industrial investment to other developing countries and countries with economies in transition, as well as industrial investment from abroad to the host country”.

The annexed Terms of Reference of the above Agreement outlines the following objective; “As an office in UNIDO’s worldwide network of IPSOs, the IPSO in Bahrain shall promote industrial development to other developing countries, as well as industrial investment from abroad to Bahrain. More specifically, the IPSO shall promote the mobilization of investment resources (finance, technology, know-how, market access, managerial support, etc.) from abroad to Bahrain, as well as from Bahrain to other developing countries and countries with economies in transition.” In line with the specific national context, the objective of the Office was somewhat expanded to also include the mobilization of domestic resources for domestic investments. The objectives would be achieved by supporting project sponsors in Bahrain and in partner countries and by assisting investors in Bahrain in making decisions on the establishment of industrial partnership opportunities or domestic investments, by providing support in the development of business proposals and promoting and negotiating the proposals.

In assessing the effectiveness of the ITPO, the evaluation team reviewed the Annual Work Programmes, the Annual Reports and additional information and data provided at Headquarters and in the field. The ITPO activities and results can be reported on and analyzed under three broad categories:

- 1) Investment and technology promotion activities
- 2) EDIP activities
- 3) Global forum activities (generation and dissemination of knowledge and constituting a platform for cooperation and dialogue).

Both investment promotion and EDIP activities result in the promotion of investment projects, though in the case of EDIP the investment is primarily domestic. Before going

into details of the first two categories, it is possible to summarize the investment-related outputs for both categories.

**Table 4**  
**Number of projects promoted and concluded in the period 2005-2007**

	Projects promoted			Projects concluded		
	Foreign	Domestic	Total	Foreign	Domestic	Total
2005	70	77	147	16	27	43
2006	161	83	244	96	79	175
2007	143	110	253	41	74	115
<b>Total</b>	<b>374</b>	<b>270</b>	<b>644</b>	<b>153</b>	<b>180</b>	<b>333</b>

Source: ITPO Bahrain internal statistics

The number of promoted projects has been increasing during the period under evaluation. The overall rate of success (projects concluded/promoted) of above 50 % is impressively high, with the domestic projects being particularly successful. It should be noted that according to the Annual Reports the term “concluded” implies that the reported projects “reached the stage of conclusion and are currently operational”. Among the concluded projects, the new ones slightly prevail over expansion of the existing ones (based on data for 2006 and 2007).

Table 5, below provides information on the reported size of the concluded projects and number of jobs generated.

**Table 5**  
**Concluded projects: Size of investment and number of jobs generated**

		Projects Concluded	Investment Size (US \$)	Jobs Created	Per project	
					Inv \$mn	Jobs
<b>2005</b>	Foreign	16	222,000,000	3570	13,9	223
	Domestic	27	35,557,833	806	1,4	30
	<b>Total</b>	<b>43</b>	<b>257,557,833</b>	<b>4376</b>	<b>5,9</b>	<b>101</b>
<b>2006</b>	Foreign	96	306,866,967	3486	3,2	36
	Domestic	79	17,458,600	499	0,2	6
	<b>Total</b>	<b>175</b>	<b>324,325,567</b>	<b>3985</b>	<b>1,9</b>	<b>23</b>
<b>2007</b>	Foreign	41	80,473,333	1564	1,9	38
	Domestic	74	31,712,800	380	0,4	5
	<b>Total</b>	<b>115</b>	<b>112,186,133</b>	<b>1944</b>	<b>0,9</b>	<b>17</b>
<b>Total</b>	Foreign	153	609,300,300	8620	4,0	56
	Domestic	180	84,729,233	1685	0,5	9
	<b>Total</b>	<b>333</b>	<b>694,029,533</b>	<b>10305</b>	<b>2,1</b>	<b>31</b>

Source: ITPO Bahrain internal statistics

The records indicate that the Office has successfully contributed to investments in Bahrain, by foreign as well as domestic investors. During the three years under review, 333 project were concluded with a total investment size amounting to almost US\$ 700 million and over 10 000 employment opportunities were generated. While the number of concluded domestic projects was higher than the number of concluded foreign projects, the investment size and number of jobs created by the foreign projects are on average



considerably higher and so is the total investment and number of new jobs associated with the foreign investment.

The Annual Reports contain information as to the sectors supported and, for 2007, the Manufacturing sector encompassed 33 % of the projects promoted, while Construction and Building Materials were attributed 18 %, Communication and ICT 7 % and General Services 26 %. The foreign collaboration mainly took place with partners in Europe and Asia (74 %) while cooperation with African partners only amounted to one % of the total. In their search for cooperation, Bahraini partners are primarily interested in know-how and equipment purchase, while 14 % indicated an interest in a joint venture.

## Investment promotion

Investment promotion activities have encompassed the organization of specialized investment and technology transfer exhibitions, business forums as platforms for information dissemination and individual business to business meetings, competitions for technology innovators, advisory services to financial institutions on investment projects and, not the least, promotion of individual investment projects.

The review of available documentation and interviews with the project stakeholders provided an impressive picture of the large number and the wide diversity of the interventions implemented by the ITPO Bahrain. Similarly, the Bahraini partners expressed a high level of satisfaction with UNIDO/ITPO services. The Government representatives were impressed by the quality of UNIDO experts and consultants and of the events organized and outputs produced and, in particular, cited the support provided in diversifying the aluminum sector.

Aluminum is a key sector for Bahrain and has been an area of concentration for the ITPO Bahrain and often highlighted as a sector for which the ITPO has been able to provide value added services and, not the least, by providing opportunities for networking. Joint activities have been implemented together with the ITPO Paris.

More specifically, the Forum for Aluminum, which took place in December 2005, was considered to have addressed weaknesses in the value chain and to have been successful in promoting a large number of downstream investment projects. In all, about 40 projects have been promoted and preliminary agreements signed with foreign partners. It is not certain how many of these agreements actually materialized. Financing has been forthcoming from the KFH and the DBD. The Islamic Development Bank has also been a solicited partner. The Government now intends to organize a similar Forum for solar energy.

In cooperation with UNIDO Headquarters and commissioned by the Economic Development Board, the ITPO has been developing pre-feasibility studies for 12 investment projects in primarily the aluminum, renewable energy and aquaculture sectors. The 12 projects have an approximate combined value about US\$ 627 million and are now under promotion with value added ITPO services in the form of counseling, technology provision and financial linkages.

Water management is another sector to which UNIDO has provided support. The ITPO Bahrain has, for instance, co-organized four International Exhibitions and conferences for Water Technology and directly contributed to these events by providing high-level experts and organizing special sessions, such as a session on Environmentally Sound Water Technology, in 2007. Collaboration with the Crans Montana Forum – Middle East will offer new opportunities for international cooperation. The two offices are jointly organizing a Clean Technology Exhibition and Forum, to be held in February 2009. So far there had not been any contacts with the UNIDO Cleaner Production Unit regarding this forum.

Moreover, the ITPO has been collaborating with the Islamic Development Bank in the development of investment profiles in the area of renewable energy.

The ITPO Bahrain and the Kuwait Finance House (KFH) are collaborating in the promotion of entrepreneurship and investment in the region. The Kuwait Finance House has agreed to the establishment of a US\$ 50 million venture capital fund, to finance suitable entrepreneurs from the Arab world and which have participated in EDIP. In addition, the KFH has agreed to provide financial expertise and funds required for technical assistance to accompany the entrepreneurs.

So far the KFH has, through ITPO/EDIP, financed 8 investment projects, with a total volume of US\$ 20 million. The projects have been in the sectors of aluminum, services and industrial maintenance. Moreover, KFH staff have been trained in COMFAR but KFH is presently not using the software. A major undertaking, at the present time, is the development of a Science and Technology Park in Bahrain. UNIDO provided technical assistance inputs for the preparation of pre-feasibility and feasibility studies, under a project managed at UNIDO Headquarters. Furthermore, the ITPO has been requested to assist with the selection of marketing and management staff for the Park.

In addition, ITPO Bahrain, together with ITPO Marseille, have facilitated the development of a Memorandum of Understanding between the Kuwait Finance House (KFH) and the French technology park - Sophia Anti Polis with regard to cooperation in the management of the Bahraini park. It is envisaged that KFH will invest \$1billion in infrastructure development for this park, which is expected to function as a catalyst for the development of SMEs and to attract foreign direct investment into selected sectors of water, renewable energy, environment, the automotive industry, aluminum and information technology.

The Office has also been rendering support to the development of the Bahraini tourism infrastructure and initiated activities that are expected to lead to down-stream investment activities in the form of the provision of related services and products. Guidelines for tourism investment were developed at the request of the Ministry of Finance and can be seen as a follow-up to the assistance provided in developing general Investment Guidelines for Bahrain.

We also find examples of individual investment projects that have been promoted in collaboration with other ITPOs or IPUs. One interesting project is a solar project;

concerning the manufacture of photovoltaic cells for the production of solar panels and actively promoted in Greece, as well as in Bahrain and with an investment volume of US\$ 500 million and for which a comprehensive pre-feasibility study has been prepared. The Bahraini Government expressed its commitment but stressed that decisions are still to be taken on partners and the overall framework.

The ITPO has, in addition to the above, been lending a helping hand to several UNIDO projects and programmes, such as performing an investment opportunity analysis for the Community Livelihood Recovery Programme in Pakistan. 33 projects were subsequently identified and promoted however, there was no information as to what extent the projects were taken up or implemented

The above are just examples of areas where the ITPO is active. The Annual Reports provide ample information on various interventions initiated during the years under review. As an example, the 2007 Annual Report provides information on the 2<sup>nd</sup> Turkish-Bahraini Investment Forum, visit of the Chendu (China) delegation, the Made in Arab World Competition, the 5th International Forum on Investing in Technology, the Third Economic Business Forum, the 4<sup>th</sup> International Exhibition & Conference for Water Technology, etc. etc.. ITPO stakeholders generally regard these events as useful and relevant. However, while the purpose of the events are often mentioned in the Annual Reports, little information is provided about actual outcomes and results (beyond the signing of letters of intents) or to what extent the events contributed to the achievement of the stated objectives. It is possible that it is often too early to report on concrete results and outcomes, but in these cases, results- oriented information could be provided in the Annual Report of the following year.

Nevertheless, it is obvious, that through the many investment and technology-oriented forums that have been organized, the ITPO has been bringing not only foreign potential investors to Bahrain but also information about technology choices and options. These forums thus fulfill important roles in spreading information about existing technologies and providing valuable opportunities, for Bahraini entrepreneurs to network with potential investment partners.

## **The Arab Regional Center for Entrepreneurship and Investment Training (ARCEIT)**

ARCEIT was designed “...under the banner of South-South Cooperation through the joint efforts of UNIDO, the Bahraini Government and the Inter Regional Centre for Entrepreneurship and Investment Training (IRC) – Government of India”. It was established in 2001, in cooperation with the Ministry of Finance, the Ministry of Industry and Commerce and the Bahrain Development Bank. According to the ITPO Bahrain Annual reports, ARCEIT “... functions with an objective of strengthening indigenous capacities, of selected countries in the Arab, Asian and African regions, in the areas of promoting domestic investments and facilitating foreign direct investments...The activities of ARCEIT are closely coordinated by the ITPO Bahrain and UNIDO Headquarters...” ARCEIT is hosted at the ITPO Bahrain Office.

ARCEIT has a budget of USD 60000 contributed by the Bahraini Government. ARCEIT has its own website with information on training programmes, upcoming events, as well as a platform for business matchmaking. The website also includes general information on the UNIDO ITPO services but at the time of evaluation (June 2008) there was no link to the UNIDO Headquarters' website. The ARCEIT's web link "Our team" lists all the ITPO Bahrain staff members. In fact the borderline between ITPO Bahrain and ARCEIT is diffuse. It was noted that the stakeholders and clients in Bahrain refer most frequently neither to "ITPO", nor to "ARCEIT", but to "UNIDO" or to the "UNIDO Office".

The ITPO Annual Reports associate EDIP and its transfer to other countries with ARCEIT, whose function is expected to evolve.

## **The Enterprise Development and Investment Promotion Programme (EDIP)**

The Enterprise Development and Investment Promotion Programme is an innovative approach that is applied by the ITPO Bahrain to investment promotion and can be seen as a response to existing conditions of scarcity of local entrepreneurs and the absence of cohesive entrepreneurial support services. It rests on the assumption that the promotion of foreign (and domestic) investment requires the availability of an entrepreneurial base in the country and that investment by local enterprises generates not only direct development impact but also indirectly, supports the inflow of foreign investment. Under this concept, any investment, be it local or foreign, is considered to be equally important for the development of the country. A rationale behind EDIP is that the success of FDI promotion efforts is influenced by the availability of qualified local entrepreneurs/investors backing the investment project. This can be regarded as a significant contribution of the ITPO Bahrain to the ongoing discussion about the concept of investment promotion.

The ITPO Bahrain is a promoter of the EDIP programme and uses the EDIP tools. The rationale, in line with the above, is that the development of SMEs is seen as an effective mechanism in facilitating economic development and promoting domestic investment. The EDIP programme has gradually evolved into two main components; Enterprise Creation and Enterprise Growth. A third component of the programme aims at developing institutional capacities to handle these two elements, when the programme is transferred to another country as well as to build up strong networks to ensure the programme's long-term sustainability.

The core programme – Enterprise Creation – consists of four subsequent steps:

- Selection and empowerment of potential entrepreneurs/investors
- Counseling and technology tie-up aiming at preparation of a business plan and finalization of a project implementation plan
- Financial linkages
- Incubation, (either virtual or in-wall)

The Enterprise Growth Programme is designed to help existing entrepreneurs redefine their business processes, facilitate the development of growth strategies and provide support in the implementation of growth plans.

The essence of the programme is its comprehensive approach, addressing many critical factors of enterprise creation and growth. The components are described in detail in the ITPO Bahrain Annual reports and in the UNIDO publication “Enterprise Development and Investment Promotion – The Road to employment, income and prosperity”.

The enterprise development programme was initiated due to constraints in the Bahraini environment and mainly the unavailability of qualified entrepreneurs and adequate support services. EDIP is today regarded as a very successful programme and is in high demand. In Bahrain alone, 27 training and empowerment events aiming at enterprise creation have been carried out since 2001. Up to June 2008, altogether 469 entrepreneurs have been trained (out of which 189 women) and 850 entrepreneurs have been counseled. 500 of these can be categorized as new entrepreneurs and out of these, 232 have, so far, started a business.

These are major accomplishments and one of the success factors of the programme seems to be the screening of applicants and the strategy to clearly target potential investors/entrepreneurs. Another factor is the vigorous follow-up mechanism, including counseling, with the aim of translating business ideas into reality. Identification and sourcing of relevant technology and domestic or foreign partnerships are, moreover, part of the process but not of each project promoted. The establishment of financial linkages is another key to the programme’s success and EDIP coaches should be congratulated for having succeeded in linking up many of “their” potential entrepreneurs to finance.

A particular dimension of the EDIP programme is the use of business incubators, both in-wall and virtual, as mechanisms to promote small and medium enterprises. The experience from the first in-wall incubator in Bahrain has been positive and a large majority of the enterprises in the incubator has been found to develop viable businesses. It should be, however, recognized that an in-wall incubator is not the essential component of the EDIP programme; in Bahrain, out of several hundreds of entrepreneurs created or counseled only 45 have made use of the in-wall incubator.

EDIP thus follows a comprehensive approach, incorporating training, technology advice, incubator facilities, coaching and the establishment of contacts with financial institutions thus being much more than training or coaching programme.

A large percentage of enrolled entrepreneurs, in Bahrain, have been women and the programme has clearly proved to be an efficient tool in developing women’s entrepreneurship. One Bahraini woman, Ms. Huda Janahi, has been particularly successful and her success story is being spread through various newspaper articles and television programmes, within the region and beyond, and even highlighted in speeches made by the First Lady of Bahrain and the President of the United States. Ms. Janahi has become an important role model for many women in the region and has, beyond any doubt, had a catalytic effect on the promotion of the image of women as successful businesspersons and on the development of women’s entrepreneurship. In addition, she

contributes to the visibility of the ITPO Bahrain, the EDIP and of UNIDO as she continues to emphasize that she owes her success to UNIDO and EDIP.

A close partner and active promoter of EDIP is the BDB. This has not only manifested itself by direct participation in EDIP events but also by, for example, the hosting of the first Bahraini business incubator and of developing specific credit lines for SMEs (the Small Loan Scheme). The BDB highly values EDIP and appreciates the counseling provided to prospective entrepreneurs and the fact that entrepreneurs are actually “being made”: Many BDB clients have been “bred” by EDIP and BDB staff members have participated in EDIP training programmes for trainers and counselors or in training events specifically organized for BDB clients.

The first incubator, the Bahrain Business Incubator Center (BBIC), managed by the BDB, was established, in 2003, with the assistance of UNIDO and the Head of the ITPO Bahrain is still on the Steering Committee of this incubator. As such he participates in monthly meetings and in the selection of entrepreneurs to be based at the incubator. Many companies attached to the BBIC have been successful in developing successful businesses in different sectors (manufacturing, services and information technology), and in generating jobs.

In spite of the need for subsidy, the incubator model is considered as very successful in Bahrain and there are plans to further promote the concept and start incubators at, for instance universities and at a handicraft centre, presently under construction. As many of the enterprises housed at the first incubator are successful and ready to expand their operations and often need to have larger premises than what are available, the BDB is now up-scaling its facilities and opening up three new branches. The present site should, after expansion, be able to house 250 entrepreneurs. The new larger premises, for larger companies, should have greater employment effects than the smaller ones and contribute to the sustainability of the entire center. The BDB is also planning a Foreign Direct Investment zone as a mean to bring technology and promote subcontracting. The ITPO will be involved in an advisory capacity. Due to a general absence of industrial premises in Bahrain the incubation facility averted to be a vital resource for many entrepreneurs.

The ITPO Annual Report 2006 has a relatively long discussion on the objectives of the BBIC but it is not clear to what extent the ITPO is involved in the achievement of these objectives, including the expansion of existing incubator facilities, the establishment of a Bahrain Business Incubator Management Center and the Establishment of the MENA Incubator Network. The 2007 Annual Reports also makes a reference to the establishment of the MENA Business Incubator Network.

EDIP is today a partner of several financial and development institutions and, in addition to the BDB, there are close ties to AGFUND, which among other initiatives finances the introduction of EDIP in the Mano River Union (Sierra Leone, Liberia and Guinea). AGFUND and UNIDO have signed a co-financing agreement, in relation to the transfer of EDIP to the three Mano River Union countries, with a total value of US\$ 800,000. Activities have already started in Sierra Leone.

Initiatives are also underway for the establishment of a Centre for economic empowerment of women in Abu Dhabi, in order to promote economic development for women. In the past AGFUND has financed EDIP activities in Jordan, Egypt and Tunisia

There has also been collaboration with the Abu Dhabi Businesswomen Council to introduce EDIP in the United Arab Emirates. A proposal has been developed, together with AGFUND and the Center for Arab Women Training and Research (CAWTAR) for the development of a specialized center for the economic empowerment of women. It is foreseen that the ITPO Bahrain and AGFUND would manage the center for an initial period of three years. Moreover, there is collaboration with the Islamic Development Bank, the Kuwait Fund for Economic and Social Development and the Kuwait Finance House, in making EDIP accessible to new groups of beneficiaries. The Arab Open University (AOU) is another EDIP partner. Several AOU staff members participated in the EDIP programme.

The ITPO Bahrain is actively involved in introducing EDIP to new countries and in the establishment of Enterprise Development and Investment Promotion Units (EDIPU) in these countries. Trainers and counselors are trained, theoretically and on-the job, under a “training the trainers “ process, starting at the outset of the establishment of the programme in a new country. Specific programme modules are developed for each cycle, in order to be in line with the socio-economic environment and the needs of the participants. Finally the Programme is institutionalized within an existing institution through the creation of an EDIP Unit.

The EDIP is in high demand and implemented in various countries; Jordan, Kuwait, Yemen, Tunisia, Uruguay, Sierra Leone, Sudan, Syria, Saudi Arabia and the United Arab Emirates. EDIP has trained trainers/coaches and entrepreneurs from these countries. It presently supports the ongoing UNIDO Project for Iraq, funded by the International Reconstruction Fund for Iraq.

As from 2006, EDIP has been implemented in Uruguay, where, so far, 52 entrepreneurs have joined the programme and this has resulted in 21 new enterprises and the creation of 85 new jobs. An Entrepreneur Development Unit has been established at a departmental level, in Flores, and there has been progress towards the establishment of a unit in Soriano. So far, however, no EDIP unit has been established at a central/national level. The Programme started in the southern region but has now been replicated in the western parts. In all 7 trainers were trained and 5 are still active. Out of 4 trained Business Counselors, 3 are still active. No generation of inward investment or technology transfer, generated through EDIP, has been recorded so far.

Furthermore, EDIP has been successfully institutionalized in Mozambique, where 200 entrepreneurs have been supported and in Sudan EDIP has led to the establishment of 19 enterprises. Moreover, the IPU Jordan has been a particularly active and interested partner and is now delivering EDIP at a continuous basis.

The policy of the ITPO Bahrain is to monitor the introduction of EDIP in a new country over a period of two years. With the present expansion both in terms of numbers and geographical coverage, the ITPO Bahrain/ARCEIT is moving in to more of a quality control function. Trained trainers and master trainers (trainers of trainers) should allow for multiplier effects and sustainability.

It remains to be validated to what extent the EDIP concept is relevant and sustainable in other countries, for instance in countries in Sub-Saharan Africa. The Programme is

presently moving into new countries such as Sierra Leone and Iraq and its continued success needs to be monitored. It will also be interesting to find out whether the relatively high rates of subsidies will be possible and tolerated in other, often poorer, countries and whether or not the intensive coaching will always be possible and necessary.

In any event, EDIP has been a very successful programme and the staff members attached to the ITPO/ARCEIT have been instrumental in developing skills and competences. According to figures provided by project staff and presented below in Table 6 as many as 1151 people have been trained through ITPO Bahrain/ARCEIT.

**Table 6**  
**Training offered through the ITPO Bahrain/Arab Regional Centre for Entrepreneurship & Investment Training**

	Description	Participants
1	Training of Trainers on Enterprise Creation	368
2	Business Counselors for the Growth of SMEs	98
3	Industrial Project Preparation and Appraisal	220
4	Workshop on Industrial Policies Advice	18
5	Training Workshop on Strategic & Production management of Industrial Enterprises	24
6	Capacity Building Workshop on Investment and Technology Promotion in the Arab Region	44
7	Technology management	24
8	Regional Workshops of Water Technologies (2004, 2005, 2007)	64
9	Persistent Organic Pollutants (2006, 2008)	41
10	Incubator System as an integral part of the Bahrain-Arab Model	250
	<b>Total</b>	<b>1151</b>

A positive development has been the fact that an increasing number of women have enrolled in the EDIP training and subsequently developed successful businesses. Presently about 50 % of the EDIP participants are women.

Women have through professional coaching by EDIP been able to formalize and expand an existing business, start new businesses and develop their managerial capacities. The example of Ms. Huda Janahi evoked earlier is a good example of a successful EDIP graduate but there are many others and both women and men. Many have become solicited partners by well-established foreign companies wanting to do business in Bahrain. As the Head of the ITPO put it, these are cases of “unleashed entrepreneurship”. Successful EDIP entrepreneurs are today coaching new entrepreneurs and being “lead entrepreneurs” in EDIP thus offering guidance to potential entrepreneurs.

In fact, the evaluation team met with a remarkable large number of successful entrepreneurs, who had all developed their project, coached by ITPO staff and often financed by the BDB. Some enterprises, although only having been in operation for a few years, had more than 40 employees and sometimes as many as 100 and had developed into multi million dollar businesses.



These entrepreneurs emphasized the service-mindedness of ITPO staff and enumerated various services extended in relation to accessing finance, finding premises, assisting with registration, writing letters to authorities in order to remove administrative barriers, finding partners and clients, promotion with the media and the provision of opportunities to participate in various workshops, exhibitions and fairs. The development of the business plan was singled out as an important step and here as well as in the promotion of the business plan, the EDIP coaches had been instrumental.

For many entrepreneurs the EDIP training acted as a catalyst making them move on to something different. The coaching provided through the EDIP Programme gave them confidence and the EDIP clinics gave them tools and skills. An important factor in their success seems to be that the coaching lasted over a relatively long period. According to the entrepreneurs interviewed by the evaluation team, an average of 20 % of the members in the respective EDIP “batch” had become successful entrepreneurs.

It is obvious that some ITPOs are progressively moving into areas of specialization in terms of technical areas and geographical concentration, The ITPO Greece is focusing on green and clean technologies and the ITPO Bahrain on promoting entrepreneurship and EDIP as a base for investment promotion. Similarly, while the ITPO Athens is concentrating on the MENA region, the ITPO Bahrain has been very active in the Middle East region, but also reaching out to Sub-Saharan Africa. The interventions of ITPO Bahrain have led to and complemented other UNIDO projects and initiatives, for instance cooperation with the Islamic Development Bank (IDB), in the establishment of an Investment Unit.

In summary, the ITPO Bahrain is implementing many and a large range of exciting and worthwhile interventions and is a very active Office, with a high level of implementation. The Annual Reports provide ample information on events supported, tools and modalities used and the vision of the Office and many of its programmes. Somewhat lacking, however, is reporting on results of the various interventions, which are all undertaken for a purpose that goes beyond training, coaching, networking, organizing a Forum or awareness raising. To a large extent the Annual Reports can be said to presently function as promotional documents; in the Annual Reports of 2006 and 2007, 5 pages were devoted to providing basic information on EDIP.

The reports, furthermore, provide information about various initiatives, entrepreneur forums, visits of delegations (to and from Bahrain), international exhibitions and conferences, investment promotion and often mentions the signing of letters of intents and potential investment projects but it is difficult to access information as to the concrete results and outcomes of these initiatives. In particular information on the generation of FDI, the access to new technology and effects in terms of sector development or the diversification of the economy is not presented in a comprehensive and structured manner.

Many of the interventions of the Office aim at developing the investment base and contributing to the development of a supportive infrastructure, including the provision of SME finance. The Office has also contributed significantly to capacity building and human resources development in investment-related organizations. There are many cases and evidences of the Office having been successful in promoting entrepreneurship, financial schemes and other investment-conducive infrastructure. The Office should get due credit for being an active development agent and for assuming functions that goes beyond those

normally assigned to an ITPO. At the same time, the evaluation team finds that there is still scope for strengthening Bahraini capacities in investment promotion and to promote the discussion on the need for the development of public and private investment oriented services. For instance, there is no fully functioning Investment Promotion Agency in Bahrain and we find few private actors providing business development services thus we still find market failures.

Previous ITPO evaluations have pointed out the absence of a common publication policy. Another issue is quality control of ITPO publications and adherence to UNIDO publication rules and procedures and the evaluation team came across references to “assistance to Islamic Country member countries” and UNIDO being “a specialist agency of the United Nations” in reports disseminated by the ITPO Bahrain and there seems to be a need to ensure that the high level of activity does not compromise the quality of outputs.

Another finding is that, in line with the ITPO Network Strategy developed in 2004, there is a need to further align the operations of ITPO Bahrain with UNIDO’s central theme of productivity enhancement and to strengthen the integration of the Office in UNIDO’s overall activities. This probably would entail the establishment of a screening mechanism for reviewing and deciding on areas of support and which projects should be promoted. Such a screening mechanism would probably mean that the Office would do a little bit less but that the value added of the ITPO/UNIDO support provided could be higher.

The ITPO Bahrain has promoted COMFAR in the region, particularly in the period preceding the years under review by this evaluation. In the period 1997-2004 altogether 6 COMFAR workshops with a total of 118 participants were held and 40 copies of COMFAR were sold to 8 licensees (out of which 23 copies to the Islamic Development Bank). In 2006 the ITPO was very supportive in translating the Arabic version of COMFAR.

Otherwise, there is a limited use of tools being developed by Branches and programmes managed from UNIDO headquarters and a need for increasing the awareness of programmes and tools that are available and which should also be able to reinforce the ITPO. The evaluation team has in particular the PSD toolbox and outputs of the Cleaner Production and Trade Capacity Building Programmes in mind. The issue of the integration of ITPOs with UNIDO programmes at large, is one that has been around for a long time and here we would just like to state that the need to align ITPO operations with UNIDO’s central programmes and UNIDO executed projects is still there.

# VIII

## Efficiency

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Efficiency is defined as a measure of how economically inputs (through activities) are converted into outputs. In the view of the Government, the ITPO Bahrain Office is not costly in relation to the results achieved, the services it provides and the large number of activities being implemented. In fact, this is an Office with a very high level of implementation, that has, during the period of review, initiated many worthwhile activities, disseminated good practices in investment promotion and economic development and provided for the services of many high level international experts.

In addition, the Office enabled Bahraini stakeholders to access the UNIDO/ITPO international network and through these networks, new technologies and partners. In fact the efficiency of the Office has been increased by the use of the entire ITPO network. In addition, the Office has developed strategic partnership with many national and regional institutions with similar agendas. These strategic partnerships and the joint implementation of various interventions; EDIP events, forums, exhibitions, investment opportunity promotion and technical assistance projects have enabled the Office to do more than would have been the case if it had had to “only” rely on the personnel and financial resources at its direct disposal.

The evaluation team found and this has already been mentioned, that in addition to the “normal” ITPO functions, the Office had also been able to assume other functions such as being an advisor to the Government on many industrial and development related issues. The Office had also been able to efficiently contribute to UNIDO’s normative function as a global forum in the way of disseminating knowledge and has provided platforms for the exchange of knowledge and experience on many issues, often beyond the investment and technology theme but clearly related to UNIDO’s mandate and strategic priorities.

As regards services provided in the area of investment and technology promotion, these have included promoting investment opportunities in Bahrain, identifying and matching potential partners, technology sourcing for Bahraini companies, research and the provision of information on the investment climate (in Bahrain and elsewhere), screening and promotion of investment projects and the provision of linkages, of various stakeholders, to investment finance institutions. Beyond any doubt, the ITPO Bahrain has been efficient in providing these services to various “clients”.

These services and interventions initiated are spelled out in the Annual Reports of the ITPO. Many interventions and programmes (EDIP, ITAP) are implemented, under specific projects and in cooperation with staff at UNIDO Headquarters but from the reports it is

difficult to assess what has actually been the function and tasks of the ITPO and thus what results can be attributed to the ITPO.

A major tool used by the Office; the EDIP Programme or, as it is often referred to, the Bahrain Model or the UNIDO Model, can be regarded as efficient in its integrated approach to enterprise development and investment promotion and as has been discussed above, EDIP has been very successful in generating successful entrepreneurs and successful businesses. The model is now launched as an official programme – under the EDIP title- of the Investment and Technology Division of UNIDO and being promoted in various parts of the world. The majority of the EDIP training, taking place in Bahrain, is delivered by external consultants, which means that ITPO staff are used for more value-added related, catalytic or quality control activities and that there is a high level of cost-effectiveness.

As mentioned in the foreword of the ITPO Bahrain Report on Annual Activities 2007; “An important aspect of the integrated approach has always been the use of business incubators”. In fact, the ITPO Bahrain has pioneered the use of Business Incubators in the Middle East and been instrumental in the establishment of the MENA Business Incubator Network, in cooperation with Infodev, a division of the World Bank. Plans are that the ITPO Bahrain will play a prominent role in the management and promotion of this Network. The evaluation mission found that the in-wall business incubator established in Bahrain has been an effective modality due to a major absence of suitable industrial premises, but that little information is at hand as to the cost-effectiveness of this approach and its suitability for other countries.

The EDIP programme materialized due to various market failures, i.e. the absence of providers of services to existing and potential entrepreneurs. It managed to address various constraints in service delivery and has been efficient in addressing the specific needs of its clients. The evaluation team had the opportunity to observe the intensity and excellent organization of numerous EDIP activities going on during the week of the field mission. This micro-experience also confirms that the ITPO Bahrain is an efficient Office and structure in that it undertakes a large variety and number of interventions with a relatively small budget and number of staff and the fact that many interventions produce the envisaged outputs.

The structure of inputs as reflected in the structure of project expenditures does not differ significantly from other ITPOs, with personnel expenditures being the most significant cost item. There are presently 5 professionals and 3 general service staff members but the Office plans to hire three additional persons. The ITPO Bahrain staff members are dynamic and competent and as mentioned earlier assume many tasks and functions. As an example, the Head of ITPO Bahrain, in addition to managing the ITPO, acts as an advisor to the Government, a liaison officer with financial institutions active in the region, an initiator of various industrial development activities in the region, a manager of EDIP and ARCEIT and a promoter of many UNIDO programmes and themes.

Moreover, the Office is not only active in Bahrain but has initiated activities in various countries in the Middle Eastern Region, in Africa and in Latin America. It has been an efficient agent in the promotion of South-South Cooperation through initiating various forums in China, Turkey and Egypt. Finally, the ITPO can be considered as a centre of

excellence in different areas; not only in inward, outward and domestic investment promotion but also in entrepreneurship development.

Efficiency of individual interventions is achieved through results-oriented planning, proper needs-analyses and an ability to design interventions enabling the achievement of more than one objective. For example, the combination of technology exhibitions with expert group meetings or symposia has proven to be a very efficient modality of investment and technology promotion. Similarly, EDIP has proven to be an efficient tool to promote the creation and development of SMEs and for promoting global themes such as environmental protection or CSR.

The ITPO Bahrain also has the capability to learn from experience and improve its operations and the EDIP Programmes has been continuously developed. In the elaboration of pre-investment studies, preference is going to be given to holders of technology as this has been found to be a constraint in the past. Given the limited availability of local technology owners and thus limited opportunities to transfer technology abroad, the ITPO has not been implementing a Delegate Programme (with exception of a few delegates prior to the period under evaluation, from Uruguay, Iran and Zanzibar) but currently the visit of a delegate from Sudan is being prepared, with the purpose to develop capacities to support a UNIDO capacity building project in that country. Today, the ITPO Bahrain stands out as the most active actor in relation to investment and technology promotion in Bahrain and this, in itself, might be a case for having Bahraini delegates or trainees attached to the Office.

The ITPO Bahrain has succeeded in establishing excellent working relations with numerous organizations and institutions in Bahrain and in the Gulf countries, such as the Ministry of Industry, the Ministry of Finance, the Bahrain Development Bank, the Economic Development Board, the Kuwait Finance House, the Islamic Development Bank, AGFUND, the Arab Science and Technology Foundation, the Arab Open University and others. This is a very important factor of efficiency as well as effectiveness of ITPO operations. Through these working relations, the ITPO manages to mobilize support, both institutional and financial, for its programmes and interventions and, vice versa, contributes to programmes and activities of the partners, both in Bahrain and in the region. Besides, the ITPO has been promoting and participated in the implementation of other UNIDO projects, in Bahrain and elsewhere. As a result, the ITPO is extremely well positioned in the institutional framework of the country, with high visibility not only in the country but also in the region.

It is also important to highlight that the ITPO Bahrain has established and maintains contacts with several organizations having updated SME-oriented databases on technology and has active cooperation with these institutes in Turkey and India. All these networking capabilities of the ITPO Bahrain contributes to synergy effects and increased efficiency of the operations.

## Cooperation within the ITPO network

The ITPO Bahrain is a very active member of the ITPO Network. It has been cooperating with several members of the Network and in particular with ITPO Athens, Marseille, Paris, Tokyo and with the IPU's in Jordan, Tunisia and Egypt. As an active member of the ITPO/IPU network, the ITPO Bahrain has strengthened the network and reinforced and contributed to enhance results of, for instance, ITPO Athens and IPU's in Egypt and Jordan.

The ITPO Paris assisted with the sourcing of international expert for the development of investment project profiles for the aluminum sector. The ITPO Greece has been instrumental in developing projects for the renewable energy sector. There was also close collaboration with the IPU Egypt in relation to the MENA-OECD Investment Forum in 2008 and the office is following up on 30 projects. Together with the ITPO Marseille, the ITPO Bahrain has facilitated and assisted in developing the Crans Montana Forum Middle East.

## Cooperation within UNIDO

The ITPO Bahrain has also been cooperating with several UNIDO Field Offices, in countries interested in the EDIP model. On the other hand, limited networking with the UNIDO promoted SPX and Cleaner Production networks was also noticed and that opportunities for partnerships have not been utilized.

There has been close collaboration with International Centre of Science and High Technology in Trieste, Italy, in organizing a special session on Environmentally Sound Water Technologies, in relation to the 4<sup>th</sup> International Exhibition and Conference on Water Technology. The ITPO Office has, furthermore, facilitated, together with the POPs Programme, the initiation of the development of a national POPs strategy. The strategy is expected to include a POPs investment programme for the transfer of technology and best practices.

In summary, there is extensive networking between the Office and a large number of partners, many of which have already been mentioned in this report. The ITPO can be said to do more through joining hands with other ITPOs (Greece, Shanghai, Marseille), IPU's (Egypt, Jordan and Tunisia), with other UNIDO programmes/branches as well as external partners. The number of institutional partners is continuously growing and the same can be said for the depth of the collaboration. The fruitful relationship with the BDB could be cited as a role model for a UNIDO project/Government institution relationship and there are high expectations on the Investment Promotion and Technical Assistance Programme (ITAP) that has recently been initiated with the Islamic Development Bank. Sudan has been chosen as the first beneficiary and it is envisaged that the programme will also be implemented in Yemen and Uganda.

The efficiency of the Office is unquestionable. The question is rather: will the Office be able to manage the risk of doing too much and wearing too many hats? Another issue is to what extent the effectiveness of various tools and modalities; EDIP, investment forums,

business plans competitions, technical assistance to Government and institutions has been assessed? It would, for instance, be interesting to know the results of the Business Plans Competitions, i.e. did the business ideas get financing, enterprises get established and/or products and technologies commercialized? Also, what has been the most efficient and effective mechanism(s) for investment and technology promotion?

As many enterprises today search for information on potential partners and clients on the Internet it is somewhat surprising that the ITPO Bahrain did not have a web page to promote its investment-oriented activities as all prospective “visitors” might not come across the ARCEIT web page (see below). Moreover web pages are cost-effective means of promotion and networking and can be an efficient tool to disseminate technology offers and requests as well as opportunities for investment promotion and, thus, complement other investment promotion methods and tools at the disposal of the Office. There is a link to the ITPO Bahrain on the UNIDO website but the ITPO link, as presented, is very basic and does not provide the information needed for efficient and effective investment and technology promotion. However, UNIDO HQs is currently in the process of developing specialized websites and the ITPO Bahrain cooperates in introducing a standard format.

There is an ARCEIT web site, which also provides information about the ITPO Office and provides a platform for business matchmaking and inquiries from potential investors. It was also noticed that the Annual Reports 2006 and 2007 provide contact details on the back cover but no information on or link to websites of UNIDO or ARCEIT.

The fact that the UNIDO Exchange has not been functioning during the period of review has limited the possibility of the Office to access information about technology and other partnership opportunities that can arise from activities of the National Cleaner Production Centers (NCPCs) or information provided through the Subcontracting and Partnership Exchanges (SPX), UNIDO projects, as well as by the International Technology Centers.

# IX

## Sustainability

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Coming back to the discussions of the two previous chapters and the fact that the ITPO Bahrain has been able to identify constraints in the provision of services to potential and future investors, been able to cater to the missing services and been able to provide linkages to the providers of other services, such as lending institutions also brings up the issue of sustainability or to what extent has the ITPO Bahrain developed capacities for services to be provided on a long term and sustainable basis. To some extent we have a project, which is functioning as a service provider (as opposed to providing technical assistance to service facilitators or providers). The problem is that there is no obvious national partner to take over functions presently assumed by the Office and that national investment promotion functions are presently divided between various institutions. Also in relation to EDIP, there is no present institution with the mandate and capacities to manage the Programme in Bahrain.

In this respect it should be remembered that ITPOs are, generally, not offices that were established for the purpose of sustainability but function as projects, with a limited duration. However, the methods and tools developed and promoted through ITPOs hosted in the developing countries or countries with economies in transition should still be sustainable and, for this to occur, they need to be somewhat linked to national institutions and national staff need to be trained on the use of these instruments.

The EDIP programme is today extended through the ITPO, in Bahrain as well as elsewhere. Due to the large success of the Programme it is difficult for the ITPO to cater to the demand from all potential entrepreneurs. Discussions are underway with the Arab Open University (AOU), Bahrain Branch, as regards opening an EDIP antenna with this institution to raise awareness of the AOU students about the EDIP programme. Two staff members of the Arab Open University have been trained as EDIP counselors. The University is today running an Entrepreneurship Programme as part of its curriculum and participates as lecturers in EDIP events. There was also an agreement with UNIDO/ITPO in 2004 to develop an Academic Centre of Excellence in Entrepreneurship. This Centre has been established, within the Arab Open University but is not really active and some stakeholders expressed doubt that the Open University was the optimum long-term solution for EDIP.

A feature of the EDIP model is that an Enterprise Development and Investment Promotion Unit (EDIPU) should be developed in each host country. The unit should be attached to an existing institution or “stand alone”. Another sustainability tool is the training of trainers and the development of business counselors, who will in their turn coach potential entrepreneurs. EDIP organizers are advised to charge participant fees and this is happening but many EDIP events are still subsidized or being project-financed.



In fact sustainability is a major issue since the trainers/coaches are in contact with the entrepreneurs over a relatively long period and a prominent feature in the EDIP design is the potential multiplier effects developed through the implementation of new EDIP events. In view of the rapid expansion of the Programme there also seems to be a case for Training of Master Trainer Module. When replicated to other countries, the EDIP model requires the establishment of a core management unit that would be in charge of managing and further expanding the Programme under the direct supervision of ITPO Bahrain. However, such a unit has not yet been established in Bahrain. This issue is becoming more pertinent now when the BDB is aiming at increasing considerably the number of SME clients (up to 4 000 new clients annually) while the present capacity of the ITPO/ARCEIT has been about 100 graduates annually.

The EDIP Programme has been successfully instituted in Jordan. EDIP capacity building programmes have been organized in the United Arab Emirates, Saudi Arabia and Tunisia during 2006. This was reported in the ITPO Annual Report 2006. It would be an advantage if annual reports, in the future, would also report on the sustainability of the initiated programmes.

There is also a sustainability issue in relation to the ITPO supported business incubator in Bahrain. The aim of the incubator is to be financially sustainable but this is not a must and not the case, as yet, and the Government looks at the incubator as a public facility that can be subsidized. It would be an advantage if this issue was further discussed within, for instance, the MENA Business Incubator Network in order to come up with some policy guidelines.

# X

## Impact

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What have then been the impact or long-term effects of the interventions of the Office? As mentioned above, internal records show that activities of the ITPO Bahrain, in the period 2005-2007, resulted in 333 concluded projects with a total investment volume amounting to almost 700 million USD and the generation of approximately 10 000 new jobs.

An advantage with a programme such as EDIP is that it is relatively easy to trace the supported entrepreneurs and obtain impact-oriented information. According to the ITPO staff, the EDIP entrepreneurs and their businesses are monitored for three years. The criteria used are sales volumes, employment, accumulation of wealth and investment volumes. The investments are traced through the BDB, for those enterprises that are BDB clients. Due to the direct support provided by the Office to individual entrepreneurs and thus the “traceability” of the Programme, it would be suitable for a more rigorous monitoring system and proper impact assessments.

Due to its success and the fact that the ITPO office is not able to cater to the existing level of demand, there is a case to expand and disseminate the Bahrain model and there is a potential for considerable outreach and high impact in terms of economic development. In addition, the Office can be said to have had a catalytic impact on the development of PSD and on renewable energy policies but these effects are very difficult to measure. There are also important secondary demonstration effects, likewise difficult to measure and quantify, but thanks to EDIP many financial institutions now believe in small-scale entrepreneurs and have started to serve this segment.

The companies that have been established by EDIP graduates are not that numerous and/or big enough to change the economy but they are changing attitudes and the way of doing things. We also see the many role models created through EDIP and not the least for women and expect this to impact on future developments.

As all the other ITPOs, the ITPO Bahrain is first and foremost a national oriented Office but should be applauded for having been able to reach out to other countries in the region as well as to other parts of the world. In particular, many events organized by the Office has included representatives from countries within the region, thus contributed to higher “effects”, more wide-spread awareness and increased visibility of various programmes promoted by UNIDO, beyond the borders of the host and main targeted country.

# XI

## Strengths and weaknesses

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### Strengths

- The EDIP programme follows a comprehensive approach and addresses market failures in the forms of the absence of entrepreneurs, limited access to finance and industrial premises
- The provision of relevant services to both the public and the private sector
- Mobilizing the private sectors as an agent for economic development
- Creates forums and platforms for information about technologies and business opportunities and for dialogues between potential partners
- Successful in the promotion of domestic investment projects
- Has achieved impact in terms of employment generation
- Has developed close ties with national and regional financial institutions, which enables the brokering of financial linkages and to do more
- Successful in promoting South-south Cooperation
- Extensive and effective networking with policy bodies, financial institutions, technology providers in Bahrain and abroad; including making good use of the ITPO Network
- Has promoted women's entrepreneurship in Bahrain and in the region
- Has been able to address barriers to entrepreneurship, on a general and on individual bases.

### Weaknesses

- Limited attention to the development of institutional capacities, in Bahrain and elsewhere.
- ARCEIT is an organization with a limited budget and unclear status that needs to be fully institutionalized
- The EDIP training is a rather supply driven approach in the sense that it targets a group of entrepreneurs on intervals decided by the organizers as opposed to individual need-based support. This is however compensated by the more demand-drive counseling.

- The Office been less efficient in the promotion of (foreign) inward and outward investment.
- Reporting on results is not linked to indicators in the planning documents
- No delegate programme and this has limited the outreach to developing countries
- No ITPO Bahrain website

# XII

## Conclusions

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The ITPO Bahrain is a well functioning, dynamic, innovative Office with highly competent members of staff. It is implementing many worthwhile activities, has a large network of relevant partners and gives credibility and visibility to UNIDO, in investment promotion as well as in the field of enterprise development. The Office has responded to the need for business services and, primarily, for start-ups and small firms. EDIP has been able to address existing constraints to domestic investment promotion and has been widely promoted by the Office.

In particular, the Office has been providing valuable assistance to potential and existing entrepreneurs in accessing finance and information, including information on technology and on markets, general guidance and counseling and assistance in obtaining licenses and other Government approvals. Bahrain provides a good environment for this kind of a project with a conducive investment climate and both for domestic and foreign investors and this has also contributed to the promotion of a large number of successful entrepreneurs and the generation of many viable enterprises, in both industry and service sectors as well as employment opportunities. The Office should be applauded for having, with a high degree of success, promoted women's entrepreneurship.

The interventions of the ITPO Bahrain are found to be clearly in line with Government priorities and policies and to contribute to the strategic objectives of UNIDO. The continued relevance, effectiveness and efficiency of the Office are demonstrated by the growing number of supported and successful entrepreneurs and the growing number of institutional partners, within the country and the region as well as beyond. Relevant interventions have been implemented to support priority sectors; aluminum, water and renewable energy.

The newly initiated Investment Promotion and Technical Assistance Programme (ITAP), to be implemented in collaboration with the Islamic Development Bank is expected to further strengthen the Office's capacities for reaching out with investment promotion support to partner countries.

It is now important to take stock of the accomplishments and lessons learned and establish benchmarks for the future dissemination of tools and instruments for investment and technology promotion, developed in Bahrain and elsewhere. The Business Incubator modality has been proven to be useful in Bahrain and the tool should be further monitored.

The Office has been successful in involving the private sector as a partner in development and contributed to the creation of a more conducive business environment. In addition,

the Office has been assuming many global forum functions and increased UNIDO's visibility in the Middle East Region. Due to its recognized competence and Middle East presence and connectivity it has become a major asset to UNIDO. The Director with good managerial and technical competences and an in-depth knowledge of UNIDO has a great deal of merit for the success of the Office.

The support to the industrialization efforts of developing countries has mainly been through EDIP, while the Delegate Programme has not been implemented. In view of the high demand on ITPO resources it will be important to ensure that national capacities are further developed and this should include the promotion of private actors.

# XIII

## Recommendations

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### Recommendations to UNIDO

- Review and update the Agreement with the host Government and initiate discussions on a three year extension of the project,
- Procedural matters between UNIDO and the Government should be streamlined and the nature of agreements between the Governments and UNIDO clarified as well as procedures for the ITPO entering into agreements with non-UNIDO partners. To this extent, a policy should be developed and guidance provided to the ITPOs on rules and regulations in relation to external collaboration and in particular on entering into agreements and collaborative and contractual arrangements.
- Clarify the mandate and functions of ITPOs. In the case of ITPOs hosted by developing countries or economies in transition, encourage ITPOs to build investment promotion related capacities in the host country. Modalities, which can be interpreted, as tied aid should be avoided and the international UN identity reinforced. Initiate discussions with host Governments on the possibility of financing development-oriented ITPO interventions in other countries.
- Introduce a system to allow ITPO's to charge for services provided to other UNIDO projects.
- The ITPOs should give priorities to promote industrial sector projects in order to align investment promotion to UNIDO's thematic priorities of poverty reduction through productive activities, trade capacity building and energy and environment and to increase value added and develop synergies, for higher impact, with other UNIDO programmes.
- Develop a specific "Invest in Africa Programme" promoting outward investment from the developed world and with targeted activities in the Middle East region.
- Develop a results based annual reporting system for ITPOs and drop the Four-monthly reporting requirement. Provide guidance for results based planning and reporting and RBM training to staff members of all ITPOs and IPUs.
- Initiate more cooperation with other branches and programmes for an exchange of tools and best practices. In particular, the ITPOs should be informed about the PSD toolbox.
- Standardize the ITPO websites and strengthen mechanisms for sharing investment and technology related information within UNIDO.
- Assess the potential of promoting and using EDIP units, in countries where UNIDO does not have IPUs, to promote investment and technology transfers.

- Develop a global EDIP strategy and action plan and define the role of UNIDO Headquarters and ITPO Bahrain.

## Recommendations to ITPO Bahrain

- Assume a more catalytic role for higher outreach and potential impact and further develop capacities of national institutions and the private sector to take on the direct implementation of EDIP as well as of investment and technology promotion related interventions.
- Institutionalize EDIP in Bahrain.
- Consider the possibility of ARCEIT becoming a fully-fledged regional organization with national antennas and its own funding and staff and function as the implementing agency of EDIP in the region. The ITPO Bahrain should have supervisory and quality control functions over an extended period. Increase the outreach and sustainability of EDIP through the development of master trainers.
- In the context of the above recommendation, clarify with the Government the status and future mandates, functions and tasks of ARCEIT and its relation with the ITPO Bahrain.
- The Office should establish a screening mechanism for reviewing and deciding on areas of support and on sectors/projects to be promoted.
- There should be a planning document covering the entire project period. This document should be complemented with Annual Work Programmes with more details on activities and outputs and including output indicators.
- Develop clearer linkages between the established objectives of the Office the Work Programmes and the Annual Reports. Make the Annual Reports more results-based, in order to allow them to function as monitoring tools.
- The Annual Reports should be more specific about the role of the ITPO in the implementation of various interventions and try to specify to what extent it has contributed or attributed to various results. The Annual Reports should also try to go one step further and in addition to providing information on interventions initiated and implemented, also provide information about the results of the interventions.
- Specific outcome- and impact-oriented indicators should be developed in order to monitor and report on the effectiveness of the Office in achieving its objectives. These indicators should, preferably, be developed for entrepreneurial impact; changes in SME performance; turn over, profitability, investment (domestic and foreign), export and employment, changes in the economy; economic growth, industrial production, export, employment and poverty alleviation and institutional development; the establishment of new institutions and capacity building of existing institutions, outreach, service provision and sustainability and market development; availability and outreach of business development services (private and public), awareness and demand and trial and repeat usages.
- It would be an advantage if there were more internal assessment of the effectiveness and efficiency of the modalities promoted, and of what actually contributes to investment and technology promotion; Investment Forums, foreign delegations, IDEP, etc.



- The effectiveness and efficiency of incubators as tools to promote SME development should be further assessed and validated in developing countries and the effectiveness and impact of EDIP evaluated.
- Implement the Delegate's Programme
- Look into the possibility of having delegates/trainees from Bahraini institutions.
- Tap the whole UNIDO and assess the utility, for ITPO Bahrain, of various tools and mechanisms developed by other UNIDO programmes, including REAP, SPX and Cleaner Production (CP). Involve the CP Unit in the preparation of the Forum on renewable energy and clean technology, organized together with the Crans Montana Forum Middle East Representative Office and develop joint activities.
- Integrate UNIDO/ PSD tools in the EDIP programme and liaise with the PSD Branch in order to foster coherence, within UNIDO, in the promotion of entrepreneurship, CSR and PSD.
- Allow for Internet searching under ITPO Bahrain and use the World Wide Web as an investment and technology promotion tool and as a Business-to-Business facilitator or host.

## Lessons learned

An ITPO can respond to identified constraints in the institutional set-up or in the business environment and develop innovative services to tackle the constraints. *There is no "one model fits all"*. The creation of a sound domestic base for the attraction of foreign direct investment can be a valid approach for an ITPO.

The ITPO Bahrain has been able to promote what could be defined as *opportunity entrepreneurship* as opposed to *necessity entrepreneurship* and the EDIP programme shows that entrepreneurs can be unleashed or created. The staff of the ITPO function more or less as *business angels* and maybe this "tool" should be explored for other UNIDO programmes and projects.

The line between investment promotion and entrepreneurship or private sector development can be thin and there is a need for a UNIDO coherent approach and increased dialogue between different branches.

Intensive contacts at the policy and institutional levels expand the project outreach, enhance its performance and magnify its results.

# Annex 1

## Terms of reference

6 May 2008



### UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

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#### Terms of Reference

#### Independent Evaluation of the UNIDO Project: US/GLO/04/152

#### “UNIDO Service in Bahrain for the Promotion of industrial Investment in Developing Countries (Investment and Technology promotion Office)”

#### I. BACKGROUND

The Investment and Technology Promotion Office (ITPO) in Bahrain was established in 1996 but has not yet been subject to any evaluation.

The project “UNIDO Service in Bahrain for the Promotion of industrial Investment in Developing Countries (Investment and Technology promotion Office)” was approved in 2005 and has a total allotment of US\$ 1,635,322. It is scheduled for completion in December 2008. The project is fully funded by the Government of Bahrain, through a special purpose contribution. The Government Implementing Agency is the Ministry of Finance and National Economy.

The development objective of the project is to support the industrialization efforts of developing countries and the establishment of a private sector-led economy in countries with economies in transition by identifying and mobilizing the financial technological, and other resources required for the establishment of business partnerships. More specifically the project aims at mobilizing resources (finance, technology, know how, managerial support, etc.) from Bahrain to developing countries and economies in transition.

This objective would be achieved by supporting project sponsors in Bahrain and in partner countries and by assisting investors in Bahrain in making decisions on the establishment of industrial partnership opportunities by providing support in the development of business proposals and promoting and negotiating the proposals. The ITPO Bahrain has also initiated an Enterprise Development Programme encompassing components of business skills development, counseling and technology tie-up, financial linkages and incubation and growth programmes.

#### II. BUDGET INFORMATION

Project No.	Total Allotment US\$	Total Expenditure US\$	% Total Implemented
US/GLO/04/152	2,217,022	1,855,645	83.69%

Source and date of information: UNIDO INFOBASE as of 6 May 2008

### III. PURPOSE

The purpose of the independent evaluation is to enable the Government of Bahrain and UNIDO to have up-to-date information with regards to the following:

- (a) the relevance of the ITPO and of the activities and programmes promoted
- (b) the efficiency of implementation: quantity, quality, cost and utilization of resources, timeliness of UNIDO/ITPO inputs and activities, and ITPO management and coordination, in Bahrain and from HQ
- (c) the outputs produced and objectiveness achieved, as compared to those planned
- (d) the impact and sustainability of results and benefits

It is envisaged that the evaluation will focus on the activities carried out and the results achieved by the ITPO. The evaluation will also seek to draw lessons of wider application for the replication of the experience gained by this ITPO for UNIDO's ITPO network and programme.

### IV. METHODOLOGY

The evaluation is to be conducted in compliance with UNIDO evaluation policy and the Technical Cooperation Guidelines and attempt to determine, as systematically and objectively as possible, the relevance, efficiency, effectiveness impact and sustainability of the project. The evaluation will assess the achievements of the project against its objectives and outputs established in the project document, including re-examination of the relevance of the objectives and of the design. It will also try to identify factors that have facilitated or impeded the achievement of the objectives.

The evaluation will be carried out through analyses of various sources of information including desk analysis, survey data, interviews with various stakeholders such as Government counterparts and ITPO and UNIDO staff members and participating companies and through the cross-validation of data.

The thorough analysis of relevant information includes a review of UNIDO policies and strategies, activities carried out, management mechanisms applied (in particular planning, monitoring and self assessment) and project specific framework conditions (in particular policy environment, counterpart capacities, related initiatives of the Government and the private sector) as well as minutes from meetings of Heads of ITPOs.

While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties. It will address the following specific issues:

#### Ownership and relevance

The extent to which:

- (i) The project is in line with the priorities and policies of the Bahrain Government and institutional context
- (ii) The private sector is using the ITPO and finds its services to be in line with its needs.
- (iii) The objectives of the project and the ITPO concept are still valid
- (iv) There is a UNIDO identity of the ITPO and there are linkages to UNIDO HQ and to UNIDO thematic priorities
- (v) The ITPO mandate is relevant

### **Efficiency of implementation**

The extent to which:

- (i) UNIDO and Government/counterpart inputs have been provided as planned and were adequate to meet requirements.
- (ii) The quality of UNIDO inputs and services was as planned and timely
- (iii) The ITPO can be regarded as an instrument for development cooperation
- (iv) The least costly resources and processes were used in order to achieve the objectives
- (v) There was coordination with other projects and possible synergy effects

### **Effectiveness**

The extent to which:

- (i) The outputs and objectives were achieved or are likely to be achieved
- (ii) Investment projects have been generated or linkages developed between Bahrain investors and technology suppliers and partners in other countries
- (iii) The ITPO complements efforts of other national institutions/organizations, public as well as private, involved in the establishment of industrial partnerships.

### **Impact and sustainability**

- (i) Identification of the long term developmental changes or benefits (economic, environmental, social and developmental) that have occurred or are likely to occur as a result of the project
- (ii) Benefits of the promoted investment projects in terms of achieving development goals or contributing to industrial development in partner countries
- (iii) Assessment of the demand from the industry representatives for ITPO services

### **Project coordination and management**

The extent to which:

- (i) The national management and overall field coordination mechanisms of the project have been efficient and effective.
- (ii) The administrative status of the ITPO is conducive to its role and function
- (iii) The UNIDO HQ based management, coordination, quality control and technical inputs have been efficient and effective.
- (iv) Monitoring and self-evaluation were carried out effectively, based on indicators for outputs and objectives and there was monitoring of promoted investment projects
- (v) Coordination envisaged with UNIDO networking tools such as UNIDO "Exchange" has been realized and benefits achieved.
- (vi) Synergy benefits can be found in relation to other UNIDO ITPOs, IPUs, UNIDO tools and platforms as well as with interventions of UNIDO's technical branches.

### **The future**

- (i) Views on the future role of the ITPO and possible change of mandate
- (ii) Identification of benchmarks and good practices, to guide the development of the ITPO programme

## V. EVALUATION TEAM

The evaluation team will be composed of the following:

- One representative of UNIDO (Director, Evaluation Group)
- One independent international evaluation consultant
- One national evaluation consultant, to be nominated by the Government of Bahrain.

The UNIDO Evaluation Group will be responsible for the quality control of the evaluation process and of the report. It will provide inputs regarding findings, lessons learned and recommendations from other UNIDO evaluations and especially evaluations of ITPOs. The evaluation findings will be fed into a meta evaluation of UNIDO ITPOs, to be undertaken in July/August 2008. Both consultants will be contracted by UNIDO. The tasks of the team members are specified in the job descriptions attached to these Terms of References.

The members of the evaluation team should not have been directly involved in the design and/or implementation of the project. The ITPO Office in Bahrain as well as the ITPO Coordination Unit at UNIDO Headquarters will provide support to the evaluation team.

## VI. TIMING

The evaluation is scheduled to take place in the period 14 May to 14 July 2008. The field mission for the evaluation is planned for 7 to 12 June 2008.

The final report will be prepared within six weeks of completion of the field mission and will be submitted to the Government of Bahrain, ITPO Bahrain and UNIDO HQ.

## VII. REPORTING

The evaluation team will present its preliminary findings to the Bahrain Government, to the ITPO staff and at UNIDO Headquarters. A draft evaluation report will be circulated for comments. The reporting language will be English.

**Review of the Draft Report:** The draft report will be shared with the Government, the Project Manager and other UNIDO staff members and the ITPO Bahrain staff for comments and in order to enable feedback on any factual errors. This consultation also seeks agreement on the findings and recommendations. The evaluators will take comments into consideration when preparing the final version of the report.

**Quality Assessment of the Evaluation Report:** All UNIDO evaluations are subject to quality assessments by UNIDO Evaluation Group. These apply evaluation quality assessment criteria and are used as a tool for providing structured feedback. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality (Annex 1).

## Annex 2

### Interview Guidelines ITPO Bahrain

- Please explain your mandate, function and main areas of intervention?
- Investment promotion? Technology promotion? Market access?
- Relevance of the ITPO? To Bahrain? To UNIDO? The private sector? To developing countries?
- With which national institutions and programmes do you collaborate with?
- Chambers of Commerce? Financial and commercial banks? Line ministries? Universities? Consultancy firms?
- What is the nature of the collaboration?
- Please give examples of networking activities?
- Collaboration with other ITPOs, IPUs and Field Offices? IPAs?
- Are there any synergies developed through collaboration with other ITPOs?
- Examples of investments promoted through the ITPO?
- Technology transfer?
- Diffusion of EST?
- National capacity building of partners?
- Collaboration with NCPC, SPX, IPUs
- Sectors promoted? Renewable energy, water technologies? Aluminum? Tourism infrastructure
- Developed and strengthened linkages with financial institutions
- Support to entrepreneurial development institution
- Utilization of UNIDO's tools and methodologies for SME development?
- Use of UNIDO Exchange?
- Integration of CSR?
- Support to improved investment climate?
- Support to developing countries industrialization efforts? Mobilization of finance, technology, know-how, managerial support to developing countries?
- Promotion of UNIDO programmes, expertise, documentation and studies?
- Tailor made technology assessment and transfer center in association ICS Trieste
- Delegate Programme carried out?
- Training of IPAs etc on methodologies related to investment and technology promotion?
- Use of COMFAR? Pharos/
- Industrial partnerships promoted? Outward investment? Signed partnership agreement? Your role in these?
- Structure and content of enterprise data bank?
- Other activities; seminars, visits, missions?

Discuss WP 2008, WP 2007, WP 2006 (overlapping activities?) – outcomes?

## Annex 3 List of persons met

### **UNIDO Headquarters**

Ms. Dan Liang  
Mr. Yuri Akhvlediani  
Ms. Maria Lukumbuza  
Mr. Joseph Moongananiyil  
Mr. Andreas Scherney  
Mr. Claudio Scaratti  
Mr. Mohammed Eisa  
Mr. Sei Hisakawa  
Mr. Richard Kennedy

### **ITPO Bahrain**

Mr. Hashim S. Hussein, Head  
Mr. Arif.M. Barhoumi, Investment Promotion Expert  
Mr. Maytham Abbas, Financial Analyst  
Mr. Redha Baqer, Public Relations  
Mr. Filippo Egizii, Investment Promotion Officer  
Ms Ghadeer Al Sayed, Assistant Business Counselor

### **Ministry of Housing**

Shaikh Ebrahim Bin Khalifa Al Khalifa, Minister of Housing

### **Ministry of Industry and Commerce**

Mr. Hassan Fakhro, Minister of Industry & Commerce  
Mr. Osama Mohamed Al Arrayedh, Undersecretary for Industrial Development  
Mr. Abdul Karim Al Rashid, Assisstant Undersecretary for Industrial Development  
Ms. Narjis Haider Al Moosawi, Director – Small & Craft Industries  
Mr. Jehad Al Humood, Marketing Specialist

### **Ministry of Finance**

Mr. Yousif Humood, Assistant Undersecretary for Economic Affairs

### **Economic Development Board**

Mr. Zakaria Hejres, Deputy Chief Executive

### **Bahrain Development Bank**

Mr. Nedhal S. Al-Aujan, Chief Executive Officer  
Mr. Anil Hattangdi, Executive Vice President  
Mr. Raman Jaggi, Vice President, Business Advisor

**Bahrain Business Incubator Centre**

Mr. Omer Oz, Manager  
 Mr. Mohammed Allam Al Qaed, Coordinator

**Arab Open University**

Prof. Samir Qasim Fakhro, Director

**Arab Gulf Programme for United Nations Development Organizations (AGFUND)**

Mr. Nasser B. Al-Kahtani, Executive Director

**Kuwait Finance House**

Mr. Osama A. Al Khajah, Senior Manager – Project Development

**Bahrain Investor 's Centre**

Mr. Mohamed Al-Ahmadi, Chief

**Al-Jasra Handicrafts Centre**

Shaikha Wafa Saif Al Khalifa, Head

**UN Information Centre for the Gulf Countries**

Mr. Nejb Friji, Director

**ENTREPRENEURS**

No.	Entrepreneurs	Organization	Title
1	Ms. Huda Janahi	Regional Trading Establishment	Chief Executive
2	Mr. Thabet Yousif Qamber	Bu Yousif Traditional Sweets	General Manager
3	Mr. Mohammed Janahi	Hull Diving Services	General Manager
4	Mr. Mohammad Saleh Shaban	Gulf Strategic Partners W.L.L.	Business Development Director
5	Mr. S. Sharaf Hasan Hashim	Al Noor Group	Managing Director
6	Mr. Khalid A. Salem	BOCA COMM Middle East	Head of Middle East
7	Mr. Yahya Al Ansari	Youth National Hands	Project Manager
8	Ms. Hessa Hussain	Youth National Hands	Managing Director
9	Mr. Ali Rashid	Chocolaterie Dutch Delight	
10	Ms. Marjo Rashid-Stals	Chocolaterie Dutch Delight	
11	Mr. Mohammed Shehabi	Wood Basics	
12	Mr. Nadeem Asghar Ali	Nadeem Asghar Ali Perfumes	President & CEO







Printed in Austria  
V.08-57966—November 2008—60



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