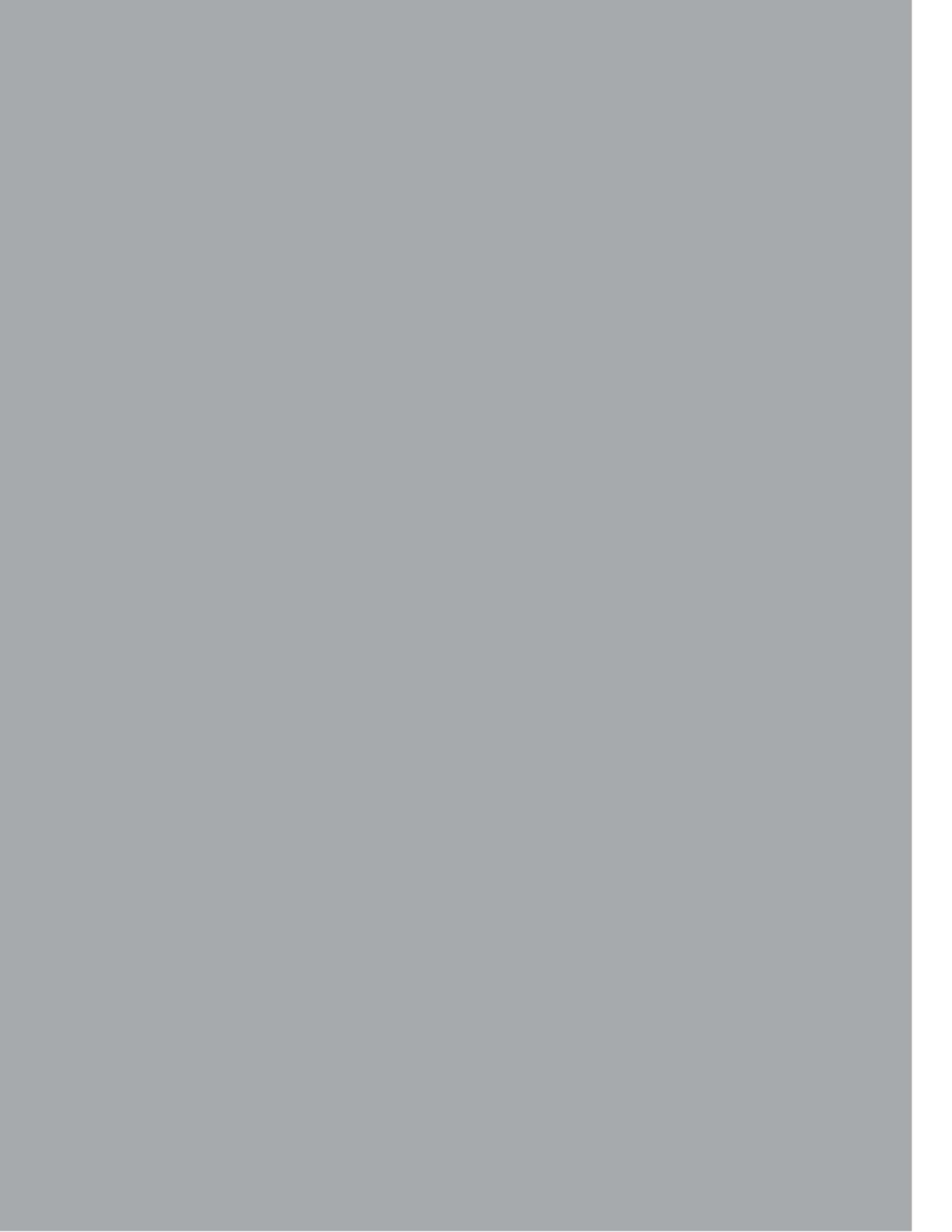


National Development Strategy (2015-2018)

Kingdom of Bahrain







His Royal Highness
**Prince Khalifa bin Salman
Al Khalifa**
The Prime Minister of the
Kingdom of Bahrain



His Majesty
**King Hamad bin Isa
Al Khalifa**
The King of The
Kingdom of Bahrain



His Royal Highness
**Prince Salman bin Hamad
Al Khalifa**
The Crown Prince, Deputy
Supreme Commander & First
Deputy Prime Minister

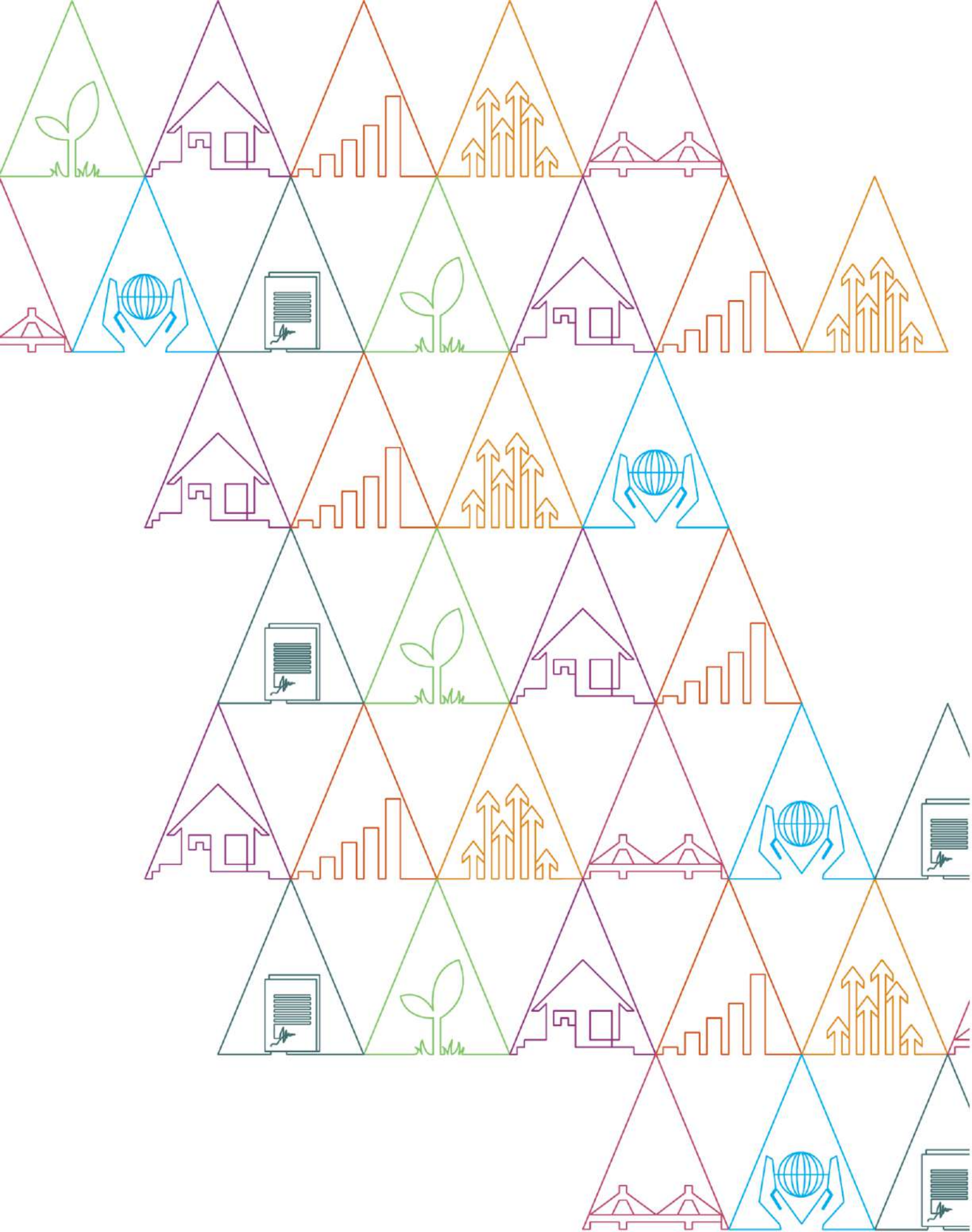
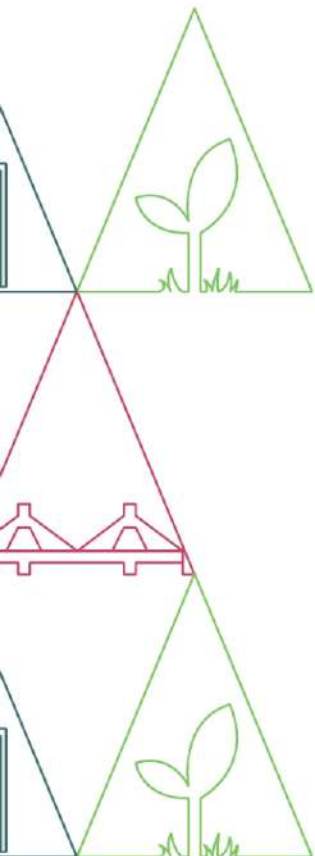


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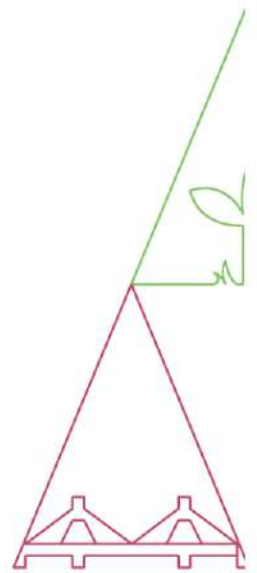


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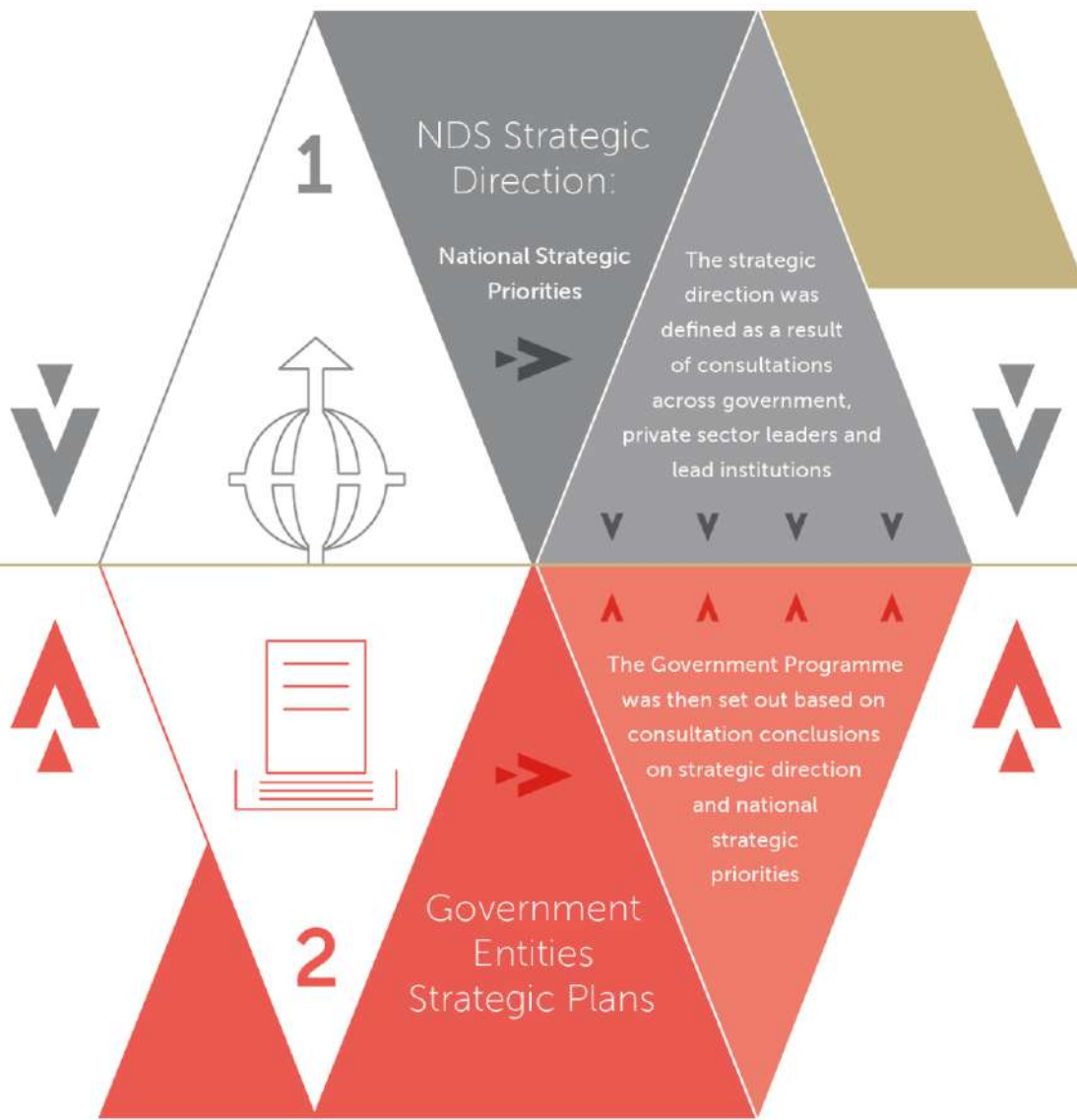


Introduction: embracing a future of opportunity

In 2008, the Economic Vision 2030 was launched by His Majesty King Hamad bin Isa Al Khalifa, as part of the Kingdom's ambitious programme to ensure the enduring well-being and prosperity of all Bahrainis. To contribute to the realisation of this Vision, the Government of Bahrain is committed to an ongoing process of strategic planning under which policy choices are made in an informed evidence-based manner, and with a full understanding of the opportunities and limitations that face the country. The Kingdom's goal is to utilise its available resources in a smart and equitable manner, in order to ensure that national development rests on the guiding principles of sustainability, competitiveness, and fairness in a way that will continue to improve the lives of all Bahrainis.

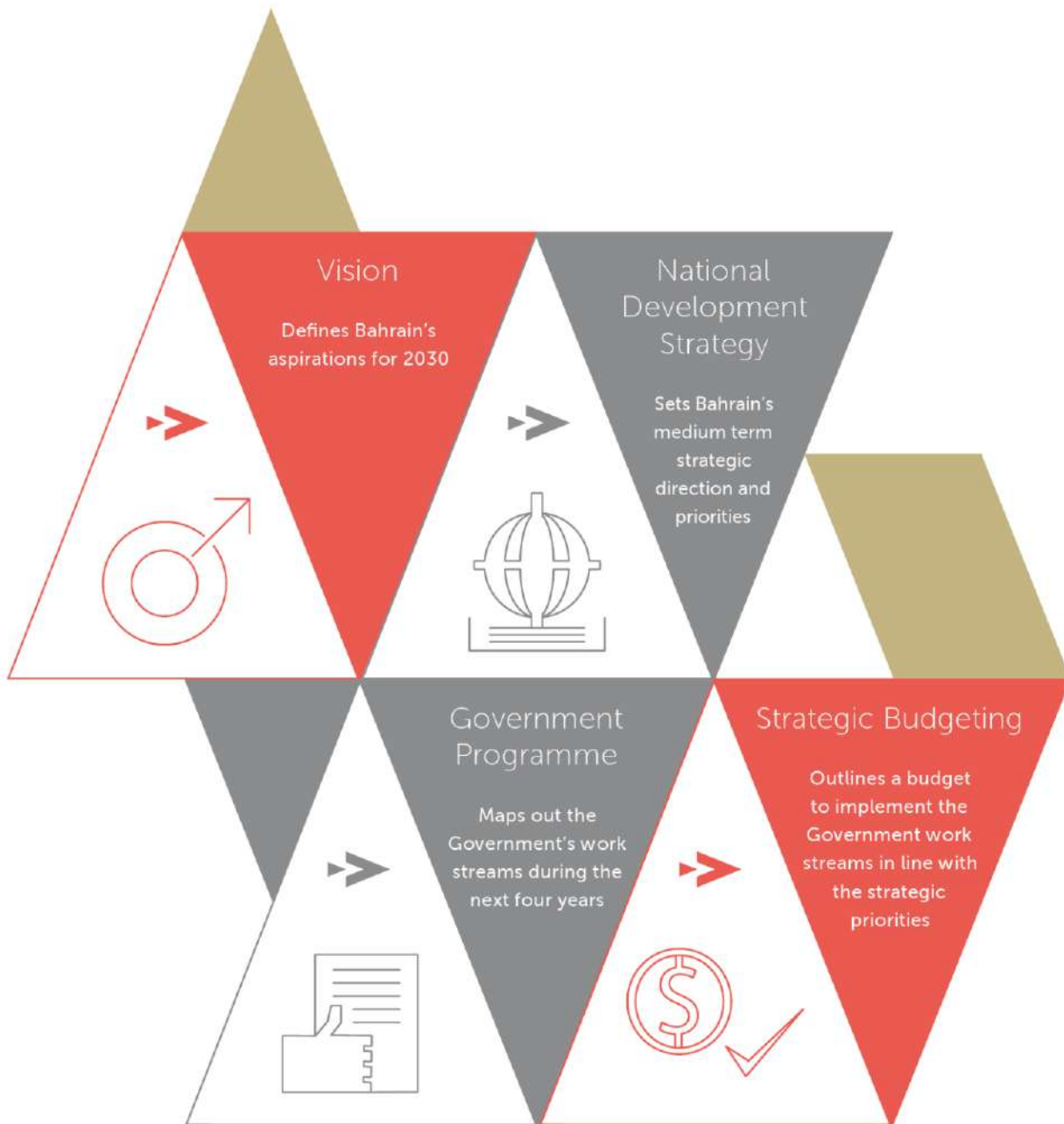
To this end, the Government developed a National Economic Strategy for the planning period of 2008-2014 to guide the direction of the economy and Government. It illustrated the links between government policies, identified key initiatives to be implemented over the planning period, assigned responsibility for the initiatives, and outlined the actions necessary to achieve them. Since the 2030 Economic Vision and the accompanying National Economic Strategy were adopted by the Kingdom, much progress has been achieved in reforming Bahrain's economy and in increasing the effectiveness of Government institutions. However, the Kingdom also faced some challenges that impeded its success with regards to the implementation of some of its commitments.

In light of experience and changing circumstances, this document represents the next step in Bahrain's journey toward the attainment of the Vision, as it outlines the medium-term strategic direction of the country in the 2015-2018 planning period.



This strategy was developed through a collaborative planning process. The medium-term strategic direction was defined based on evidence-based assessments of Bahrain’s strategic context, which has been shared with a host of Government institutions and private sector leaders, in order to discuss the challenges that Bahrain will face, how it can overcome them, and build consensus on the path forward. Citizens leading the efforts in critical areas such as entrepreneurship and innovation also contributed to the development of the plan.

Based on the strategic direction that was articulated to stakeholders, Government entities developed plans of action for the coming four years. While Government entities will continue to move forward according to their individual, institution-specific plans, initiatives of national importance were selected for inclusion into this broad, national-level strategy. However, the initiatives included in this plan are not in all cases restricted to this planning period, as the full implementation will be realised beyond this specified period. Therefore a rigorous monitoring and assessment process will take place to ensure that the goals are achieved, and that plans are enhanced as new issues arise.



This National Development Strategy will serve as the basis for the Government Programme which will map out the work streams of the Kingdom's Government during the Fourth Legislative Term (2015-2018).

In particular, Bahrain must recognise that its fiscal situation has deteriorated. Stabilising it must constitute a central policy priority as the Kingdom's future can only be built through sustained investment. In the current environment, Bahrain must work to achieve three things in particular. Firstly, the Kingdom must prioritise projects in order to ensure that adequate resources are allocated to the initiatives of the greatest importance for its future development.

Secondly, it must redouble its efforts to identify and foster alternative financing solutions where possible so as to reduce the burden on the government budget without compromising investment in the Kingdom's future. And thirdly, it must ensure that the Government does more with the resources available to it by increasing efficiency, improving its organisation, and further developing the governance of the public sector to the highest standards of excellence.

As underscored by Bahrain's strategic aspirations, this commitment to greater efficiency in government operations and the broader economy must never come at the expense of the well-being of its citizens.

Therefore, in order to create an explicit link between the practical implementation of Bahrain's strategic priorities and the effective utilisation of its fiscal resources, the public sector's agendas and plans outlined in the National Development Strategy and the Government Programme will be aligned with the State Budget.

The National Development Strategy set out in this document is divided into three broad areas:

Looking back on an exceptional decade:

This section reviews the considerable achievements of the Kingdom in diverse fields since the beginning of the new millennium.

Defining the strategic context:

This section discusses the strategic context of the Kingdom and how it may influence its direction over the coming four years. This includes the obstacles and challenges faced by Bahrain, as well as the potential opportunities that the Kingdom must embrace to succeed.

Strategic priorities for the next four years:

Over the medium-term, seven broad national priorities have been established to guide Bahrain's national development. The Government's plans and initiatives for achieving these priorities in the four-year period are described in the context of each priority.

I. Looking back on an exceptional decade

Over the past decade, the Kingdom has recorded impressive achievements that have improved the lives of Bahrainis in political, economic and social areas. In the context of the national reform programme launched by His Majesty the King, the Government has continued to make progress in building a brighter future for its people. It has made considerable strides in improving the social wellbeing of Bahraini citizens through better health, education and social support, as well as by strengthening the economy in order to offer Bahrainis desirable employment opportunities.

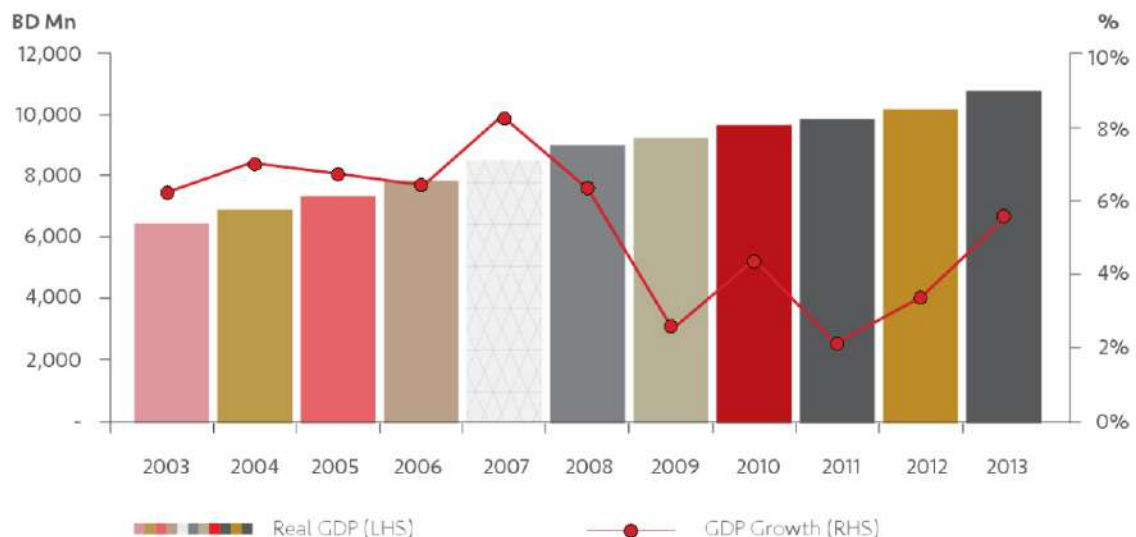
The decade has also seen significant challenges, such as the global economic crisis in 2008 and 2009 and the regional unrest in the Middle East in 2011. The Kingdom's strong foundations have allowed it to weather these challenges, but it must continue to adapt to the new realities and the challenges they pose in order to produce a clear path forward. Among the Kingdom's achievements to date are:

Strong and diversified growth

The first decade of the 21st century represented a period of impressive economic development for Bahrain. Even in the context of rapid worldwide growth and integration, Bahrain's story was notable. Between 2003 and 2013, Bahrain's real GDP rose by nearly 66%. This progress was widely shared through increased employment opportunities and improved living standards. Bahraini employment expanded by 39% during the decade while real average Bahraini wages rose by 24% (by 22% for the public sector and 31% for the private sector).

In addition to rapid growth, the composition of the Bahraini economy became significantly more diverse. The once dominant crude oil and gas sector, which accounted for 40% of Bahrain's real GDP (adjusted for inflation) in 2003, represented only 21% by 2013. Bahrain's GDP is now composed of four major sectors which each account for 10-20% of GDP: oil and gas, financial services, manufacturing and government services.

Figure 1: Real GDP Growth (2003-2013)



Source: Central Informatics Organisation

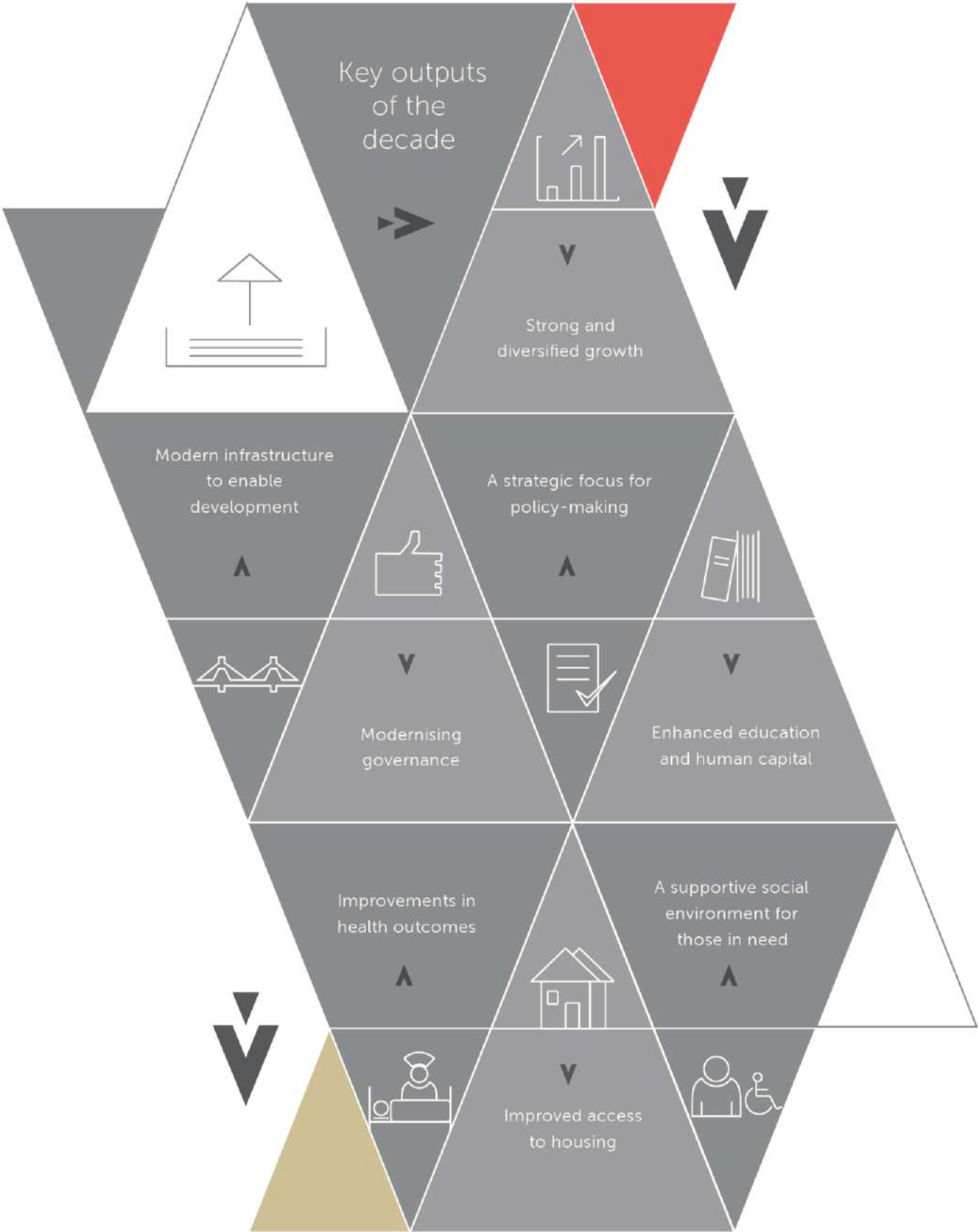
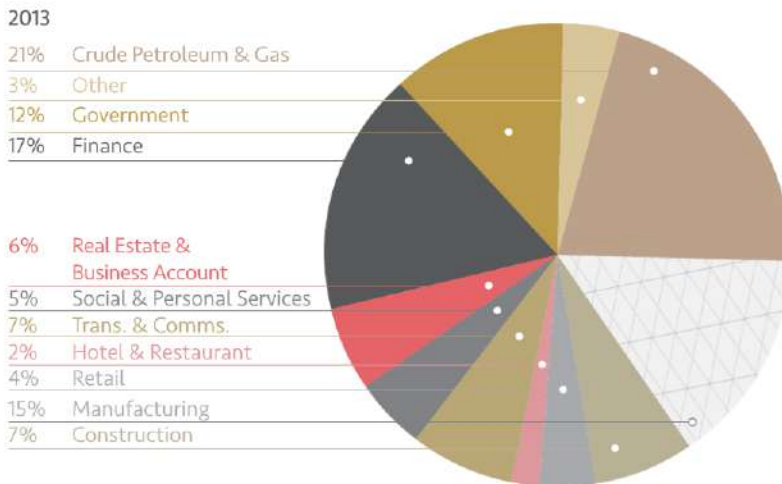
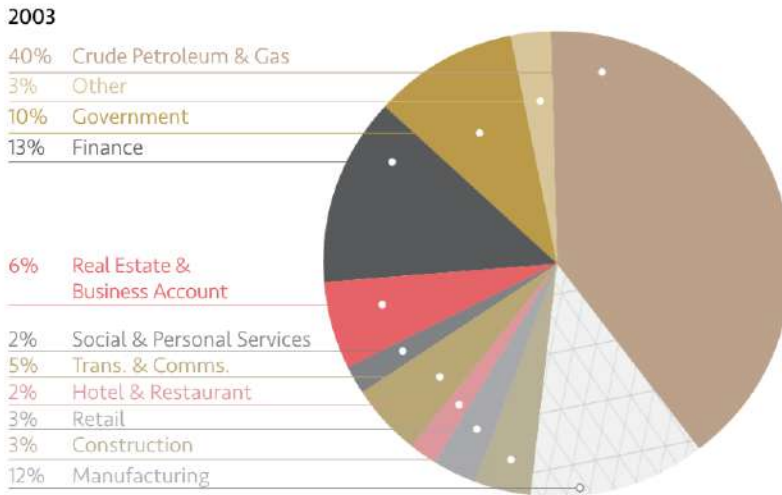


Figure 2: Sectoral Contribution to GDP (2003-2013)



Between 2003 and 2013, Bahrain's real GDP rose by nearly

66%

Demonstrating the strong momentum of Bahrain's diversification efforts, a number of relatively smaller sectors recorded rapid and resilient growth and remained broadly unaffected by cyclical factors. The categories of construction, transportation & communications, and social & personal services (in particular private education and healthcare), all registered double-digit average annual growth over the past decade.

Other economic bright spots included strong growth in the tourism sector, which has boosted its offerings in recent years through events such as the Bahrain Grand Prix and the Spring of Culture. In 2012, Manama held the status of "Capital of Arab Culture" as part of UNESCO's cultural capital campaign and was named "Capital of Arab Tourism" in 2013 by the Arab Tourism Organization. Business tourism, meanwhile, has grown since the establishment of the Bahrain Convention Centre by the Exhibition and

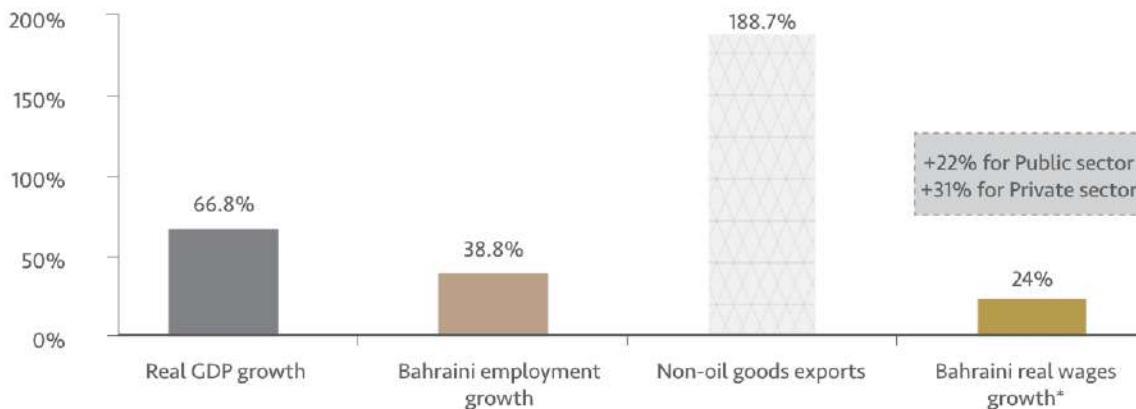
Convention Authority in 2003. The expansion of the retail sector through a number of new shopping malls has created more entertainment options for Bahrainis, as well as providing jobs and stimulating the trade and tourism sectors.

Entrepreneurship has emerged as an increasingly important driver of Bahrain's growth and diversification. The Government has introduced and expanded a number of schemes to support small businesses and enable their growth. These ventures are increasingly supported by private sector initiatives as well. The Bahrain Development Bank – a key support institution for small and medium-sized enterprises (SMEs) – made 1,121 new loans in 2013, a dramatic increase from the 259 loans approved in 2005. This growth in loan activity was facilitated by increasing the bank's capital to BD 50mn from BD 10mn.

In addition to training Bahrainis to compete more effectively in the labour market, Tamkeen also extended credit and various types of non-financial services to SMEs. Tamkeen's assistance programmes cover consulting and advisory services as well as general support services, such as providing businesses with accounting and auditing services.

The Bahrain Business Incubator Centre offers a bespoke facility for new companies with short-term independent work spaces and a range of support services. It has grown since its formation and had a total 120 clients as of 2012. As well as increasing its number of clients, the centre has expanded its facilities and built a new incubator specifically for women.

Figure 3: Growth in General Economic Indicators, 2003-2013



*Real wage growth based on 2003-2010 data

Source: Central Informatics Organisation, Labour Market Regulatory Authority, Central Bank of Bahrain, Economic Development Board

Modern infrastructure to enable development

The impressive headway made in the economy over the past decade has been made possible by the modernisation of both the physical and regulatory environment of the Kingdom. The physical landscape of the Kingdom has been transformed through the construction of a modern road network, new real estate developments and substantial increases in the power generation capacity. Bahrain now enjoys competitive state-of-the-art infrastructure in areas required for businesses to operate successfully and access the growth potential offered by the regional economy. Improvements to the regulatory environment have increased transparency, fairness and competitiveness, ensuring that businesses enjoy a stable and predictable environment.

Bahrain's prosperity has always relied heavily on its ability to capitalise on its location in the broader regional market. Significant efforts have been taken to safeguard and develop this advantage. The Khalifa bin Salman Port and the Salman Industrial City have enhanced Bahrain's potential to serve as a hub for trade and business across the Gulf region. These initiatives, together with existing facilities such as the airport and the King Fahad Causeway, have created an integrated logistics cluster that will enable Bahrain to benefit from the potential of the Northern Gulf market.

Modernising governance

The Government has taken a number of important steps to increase its efficiency by transforming its role from that of being a direct provider of goods and services towards a focus on enabling the private sector to undertake relevant activities while ensuring proper regulation and standards of quality.

As part of its evolving role, the Government has made a clear commitment to act with a high degree of transparency and accountability. With this in mind, Bahrain has set up a number of control organisations tasked with monitoring public sector performance and regulations. Additionally, the Government has developed systems which allow citizens to track government performance and encourage feedback through a number of new electronic services and online platforms.

The Central Bank of Bahrain (CBB) has been effective in spurring the rapid growth of a number of areas of excellence, most notably in Islamic finance and insurance. Overall, the CBB has allowed Bahrain to operate as an innovative financial hub which attracts capital flows from across the region and accounts for over 15% of the economy.

The Telecommunications Regulatory Authority (TRA) has turned a one-time monopoly sector into one of the most competitive and dynamic telecommunication clusters in the region. Revenues for the telecommunications sector grew at a compound annual growth rate of 41.5% between 2003 and 2012, and contributed 4% of Bahrain's GDP in 2012, as well as providing high standards of connectivity for people and businesses in the Kingdom.

To ensure the highest standards of probity in government expenditure, the National Audit Court is tasked with auditing the funds of ministries and other Government entities to determine that public funds are used efficiently and legally. To boost the efficiency with which the Kingdom's national wealth is administered, the management of state-owned corporations was placed in the hands of dedicated holding companies, the Bahrain Mumtalakat Holding Company and nogaholding, established in 2006 and 2007 respectively. Mumtalakat is tasked with managing the non-oil national investments, while nogaholding oversees Bahrain's oil, gas and petrochemical assets.

The Government has also mobilised new technology to transform the way it interacts with citizens, residents and businesses. The Government will be made more responsive through new communication channels introduced above all by the eGovernment Authority and the Central Informatics Organisation. Their efforts and cooperation with other government agencies have contributed to both reducing the cost and increasing the speed of service delivery. The eGovernment Portal has made it possible for users to track government service delivery, while eServices Centres and eKiosks provide a portal service to those lacking Internet access. Mobile telephone applications and call centres offer other important channels. These improvements in efficiency and responsiveness to the needs of Bahrainis have been widely recognised. Bahrain has been ranked in the top 10 for "Online Service Delivery" in the United Nations eGov Survey over the last four years and has been the recipient of many regional and international awards.

The progress made in upgrading Bahrain's regulatory framework has gained international recognition. The Heritage Foundation ranked Bahrain as the 18th freest economy in the world, while remaining at the top of the MENA rankings, in its 2015 Index of Economic Freedom.

The favourable business climate has served as a magnet for foreign direct investment, which has brought not only new capital but also knowledge and skills to the economy. Foreign direct investment inflows peaked at \$2.9 billion in 2006 before dropping during the global downturn to \$0.2 billion in 2010. A pronounced recovery has materialised since then as inflows rebounded to almost \$1.0 billion in 2013.

Figure 4: Bahrain and GCC Country Positions in International Rankings (GCC rank in parenthesis)

	Index of Economic Freedom (Heritage Foundation, 2015)	Ease of Doing Business (World Bank, 2013)
Bahrain	18 th (1 st)	53 rd (4 th)
UAE	25 th (2 nd)	22 nd (1 st)
Qatar	32 nd (3 rd)	50 th (3 rd)
Oman	56 th (4 th)	66 th (5 th)
Kuwait	74 th (5 th)	86 th (6 th)
KSA	77 th (6 th)	49 th (2 nd)

Source: Heritage Foundation , Index of Economic Freedom (2015) – 177 countries assessed; World Bank, Ease of Doing Business index (2014) – 189 countries assessed.

A strategic focus for policy-making

The Government has recognised the central importance of strategic planning and evidence-based policy making in recent years. A clear National Strategic Planning framework has been introduced to ensure that all government entities develop and review strategic plans on a continuous basis, and in line with the Vision 2030. The budgeting process has been reformed through a shift away from traditional 'line-item budgeting' to 'strategic budgeting', which seeks to promote transparency, ensure that financial allocations are clearly linked to Government priorities and establish accountability for delivering results.

These efforts have been repeatedly recognised by international observers. According to the World Bank's Worldwide Governance Indicators, Bahrain's percentile ranking on government effectiveness (as measured against all other countries) increased from 66% in 2007 to 69% by 2012. In addition, the World Economic Forum's Global Competitiveness Report publishes specific country rankings focusing on indicators such as transparency of government policy-making and wastefulness of government spending. Bahrain's position in the transparency of government policy-making indicator increased from 31st in the 2008-2009 report to 26th in the 2013-2014 edition while maintaining 17th position in the wastefulness of government spending indicator.

Enhanced education and human capital

The Government recognises that a qualified national labour force is critical to the continued advancement, diversification and prosperity of the Kingdom. The Government has continued to make substantial investments in education and training to ensure that Bahrainis remain competitive in the labour market.

Both the availability and quality of education at all levels has improved over the last decade. This progress has occurred simultaneously with gains in educational outcomes which are currently being measured with greater accuracy, allowing for transparent international comparisons. The number of schools and universities has grown substantially, as have the training opportunities that prepare Bahrainis for the job market.

The positive momentum in education has benefited from large and growing volumes of private sector investment. This has enabled the Government to focus increasingly on fulfilling a supervisory and regulatory role with a view to guaranteeing the standards of excellence that are needed to economically empower Bahrainis. This work has been facilitated by a holistic approach to education policy making, which is now guided by a long-term strategic framework that incorporates education and training at all levels and looks to adjust investment to market needs.

Government spending on education infrastructure amounted to BD 68mn over the decade to 2013. In addition to this, spending on education services more than doubled over the decade, from BD 125mn to BD 319mn in the same period. This figure includes the Ministry, the University, as well as the National Authority of Qualifications and Quality Assurance for Education and Training (NAQQAET) and the Bahrain Teachers' College.

These investments have paid impressive dividends. Among recent achievements in both quantity and quality of educational provision are:

- Increasing the gross enrolment ratio of Bahrain's higher education institutions to 33% in 2012 from 28% in 2003.
- Regular reviews of education providers and examinations of students by the National Authority for Qualifications and Quality Assurance, which was established in 2008, as part of the push for transparent, objective and autonomous assessment of the educational system.
- A National Qualifications Framework for Bahrain, to be fully operational in 2015, ensuring that all qualifications meet recognised international standards.
- Formation of Bahrain Polytechnic, which teaches skills that employees require through innovative teaching methods, such as problem-based learning; over 200 students were part of Bahrain Polytechnic's first batch of graduates in 2013.
- Upgrading teachers' skills and knowledge through a new Bahrain Teachers' College.
- Substantial growth in the number of schools and universities from 199 public and 52 private institutions in 2003 to 206 and 74, respectively, by 2013.
- Doubling the number of universities from 8 in 2003 to 16 at present, driven in large part by private sector investment. The next step is the formal accreditation of Bahrain's higher education institutions to ensure that these institutions are of high quality.

Bahrain has also established a number of institutions of excellence for sector-specific needs. Bahrain Institute of Public Administration (BIPA) has been created to develop a cadre of qualified professionals for the public sector. Since its establishment in 2009, BIPA has conducted a civil service training needs assessment study based on an evidence-based approach and research and consultation within the field of public administration. BIPA has since worked with Government institutions to provide priority training programmes covering key areas of public administration such as leadership. BIPA has delivered over 1,400 training programmes to over 13,000 government employees over the past five years.



Number of
schools and
universities
(2013)

206
and
74

Improvements in health outcomes

Healthcare has been another priority area for social infrastructure investments that have delivered significant benefits to the Bahraini population. The Government has achieved steady decreases in infant, child and adult mortality rates as well as improvements in life expectancy, which has risen from 73 years in 2000 to 79 years in 2011. Bahrain now ranks higher than the global average for all of the above health status indicators.

Figure 5: Trends in Infant, Under-Five and Adult Mortality Rate (%)

	2000	2012	Yearly Decrease	2000	2012	Yearly Decrease	2000	2012	Yearly Decrease
Bahrain	1.1%	0.8%	-3.1%	1.3%	1%	-2.6%	9.6%	6.5%	-3.8%
High-Income countries average ⁴	0.8%	0.5%	-4.6%	1.0%	0.6%	-5.0%	12.8%	10.2%	-2.2%

Note: ¹ Probability of dying between birth and age 1, ² Probability of dying by age 5, ³ Probability of dying between 15 and 60 years-old, ⁴ "High-Income" countries as per the World Bank categorisation (> \$12,616 GNI per capita)

Source: WHO Global Health Observatory Data Repository, World Bank

Number of beds in the public health sector (2013)

2000 beds

These impressive gains in health outcomes have been driven by both public and private investment, regulatory reform and a focus on service delivery, accessibility and affordability. Government spending on health services has more than tripled over the ten year period, from BD 83mn in 2003 to BD 306mn in 2013. This has been accompanied by substantial public investments in health infrastructure which amounted to BD 141mn over the same period. At the same time, a growing number of private operators has been licensed to enter the market.

These successful investments have, among other things, allowed the Government to improve services across the health sector in Bahrain. For instance, the King Hamad University Hospital started operations in 2011 as a teaching hospital with international standards. Containing more than 300 beds, the hospital helped take the national public sector total number of beds to more than 2,000 compared with around 1,680 in 2002. There has also been an increase of over 20% in the number of Health Centres between 2002 and 2013 as well as an expansion of immunisation programmes of one year-old children against Mumps, Measles and Rubella which now reach 100% of all children. Growing investments have been made in public health through preventative programmes such as a hereditary blood disease screening programme and a national anti-smoking campaign.

Improved access to housing

The Government is constitutionally committed to providing families of limited means with access to adequate housing. Significant progress has been made over the past decade in this regard. In the decade-long run up to 2012, the Government constructed 9,416 new housing units, 648 housing plots, 2,608 freehold apartments and provided 25,292 housing loans for citizens. Additionally those who are on the housing waiting list and have not yet received housing are given a housing allowance. In 2013, the Government spent BD 47.5mn on housing support.

Financing arrangements, such as a reduced waiting period for affordable housing loans and housing loan regulations, have been revised significantly to accommodate increased demand. Eskan Bank, for example, has reduced its minimum subsidised mortgage loan and has reduced the down payment requirement from 20% to 10% of the purchase price.

A supportive social environment for those in need

The Government is committed to protecting all Bahrainis who are in need of social services so as to protect the life and dignity of all its citizens. The Government has assisted families and individuals in need through direct financial support, as well as through efforts to address social needs where possible. A comprehensive range of social assistance programmes provide, among other things, financial support for orphans and widows as well as home care services and financial assistance programmes for the elderly.

In addition to expanding the availability of support services and infrastructure, the Government has increased spending on a number of important support programmes:

- The Government in 2013 spent BD 105mn on a financial support programme, which provides assistance to low income families including a monthly allowance to compensate for increases in the cost of living.
- Expenditure on the social security programme, which provides financial support to a range of population segments including the elderly, disabled and orphans, has increased from BD 8mn in 2005 to BD 26mn per year in 2013.
- Around BD 10mn per year is spent on grants to the disabled - this also includes the provision of rehabilitation equipment to those with special needs including wheelchairs and hearing aids.

Government
spending on
housing support
(2013)

BD **47.5**
million

Social security
programme
expenditure
(2013)

BD **26**
million

The Government has expanded the ways in which it collaborates with relevant non-government organisations which now number more than 400 across the Kingdom. To better target efforts and anticipate future changes, the Government has developed bespoke strategies for the needs of children and the disabled. It has also established shelters for abused women and children as well as a child protection centre and a hotline for abused children. The Government provides social protection services through several centres which offer a range of social, recreational and health services for the disadvantaged. Such facilities include the Dar Al Karamah Homeless Centre and Child Protection Centre established in 2007 and the Dar Al Aman shelter for women and children exposed to family and social violence established in 2006.

In line with the National Strategy for the Elderly, more than 11,000 elderly citizens benefit from services such as specialised care centres, home care services, as well as equipment and financial assistance. For the needs of the youth, 46 sport facilities, clubs and youth centres have been constructed to date, among which 13 are affiliated to the General Organization for Youth and Sports (GOYS). As a result of these wide-ranging social improvement initiatives, Bahrain ranks 44th out of 187 in the UNDP's 2014 Human Development Report.

Moving forward on the right track

In spite of the numerous challenges created by a volatile global economy, the past decade of the Kingdom's national development stands out due to a number of important achievements. The lives of Bahrainis have been dramatically improved by access to steadily improving education and healthcare as well as improving living standards. The physical infrastructure of the Kingdom has been transformed through improved distribution of utilities, the development of road systems and real estate developments which have accommodated the growing population and economy, while reforms to the Kingdom's governance have helped to support development, growth and investment.

These developments represent substantial progress toward achieving the goal set out in the Vision 2030, driven by the strategic planning process of previous years. The Government will continue to create structured strategic plans which focus on tangible outcomes for Bahrainis. In an ever changing world which is becoming increasingly competitive, the Government must constantly update and review its strategic priorities and planning efforts to continue the progress made in past years.

II. Defining the strategic context

Paving the way forward towards achieving continued progress must be founded on a structured effort to understand the realities facing the Kingdom, while anticipating the implications of its strategic context on future strategies and plans. This includes identifying Bahrain's value proposition and the opportunities that can be leveraged to ensure a future of genuine prosperity, as well as addressing the challenges facing the future development of the country.



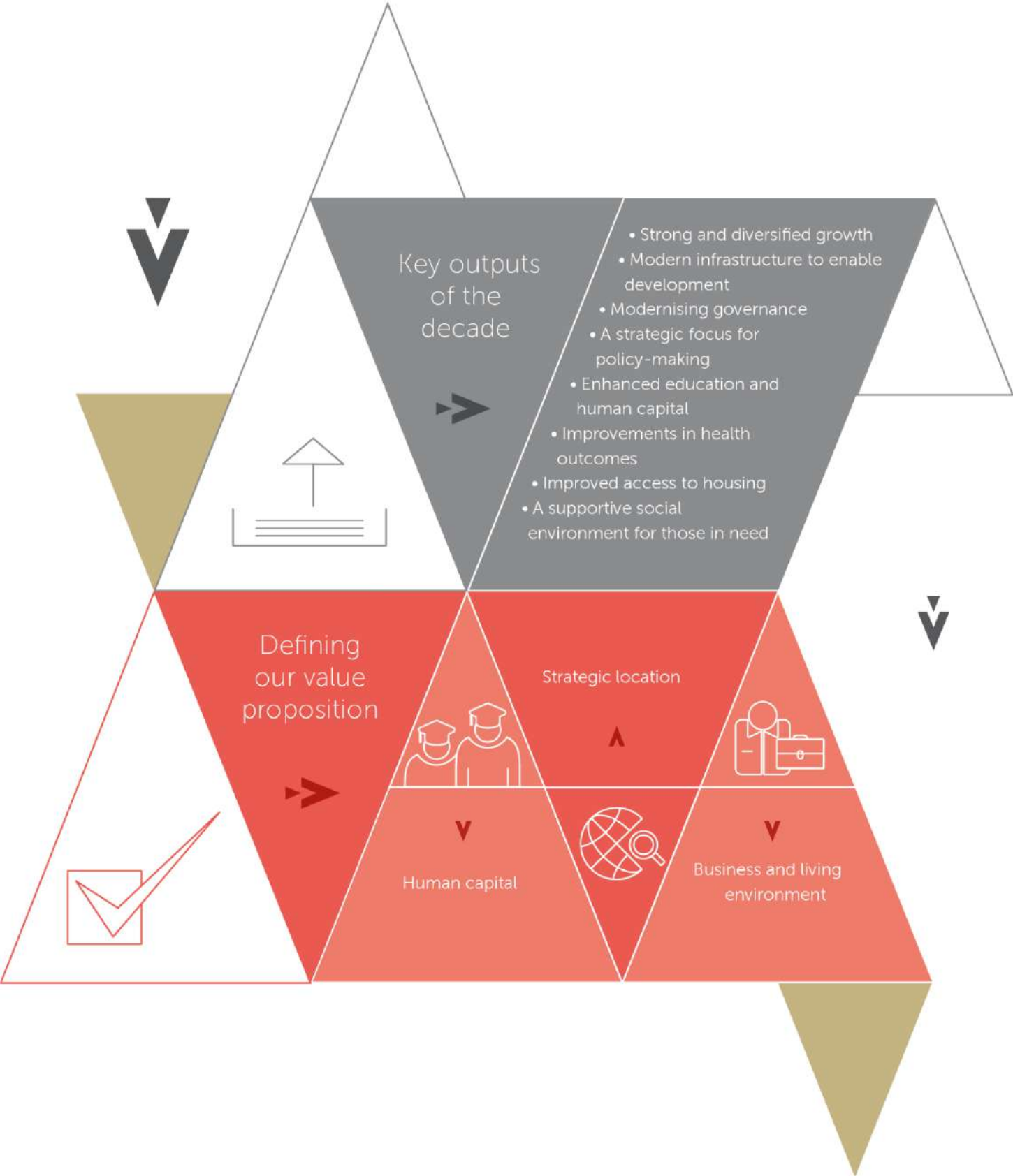
Building on a unique value proposition

While Bahrain's impressive economic performance was significantly driven by rising oil prices, the Kingdom also benefited by capitalising on its fundamental competitive advantages, all of which are critical for meeting the aspirations of Economic Vision 2030. Three such advantages are particularly notable when reviewing the performance of Bahrain over the past decade:

- Human capital
- Strategic location
- Attractive business and living environment

Throughout Bahrain's recent history, these compelling factors have balanced out the natural disadvantages Bahrain faces – the small size of its national market and limitations of key natural resources. However, as much as Bahrain's unique value proposition has delivered prosperity in the past, it must continue to do so in the future as well. The importance of human capital and regulation will continue to grow in an increasingly globalised and knowledge-intensive international economy which is driven by ideas and information. Bahrain must find and strengthen its position within global value chains that capitalise on its mix of diverse human capital, strategic location and physical and regulatory infrastructure.

Human Capital: Decades of focus on education and training have made Bahrain a top regional performer in terms of educational quality and outcomes. The diversity and depth of educational attainment in the Kingdom has given Bahrain the regionally unique assets of a truly diversified national labour force. Substantial numbers of Bahrainis now work across all sectors of the economy, at all levels, including senior management with decades of experience.



Strategic location: Bahrain has a long history and an established international reputation as a regionally significant hub for trade and investment which reflects its geographic location at the heart of the Arabian Gulf. Even as Bahrain's success as a regional hub is coming under increasing competitive pressure from other regional business and commercial centres, the key elements of the Kingdom's value proposition remain strong. The country offers a closely knit and competitive cluster of logistics-related facilities ranging from the Khalifa bin Salman port area in the east to the King Fahad Causeway in the west. This allows goods to be moved swiftly from one form of transportation to another, enabling Bahrain to capitalise on its convenient overland access to regional markets.

Unique business and living environment: Having served as a regionally significant centre of commerce for centuries, Bahrain is a mature economy with a full range of services and modern infrastructure. The costs of doing business in Bahrain are significantly more competitive than in the rest of the region. This is particularly true on a risk-adjusted basis as the Kingdom provides the most mature, transparent and predictable regulatory environment in the region, further enhanced by its status as a unified jurisdiction. Companies registered locally are free to operate across the Kingdom and are treated as GCC companies in neighbouring countries. Foreign investors in the Kingdom can benefit from the unique advantage of 100% foreign ownership across the economy. Bahrain's success has never relied on special economic zones, which is reflective of the global competitiveness of its regulatory infrastructure and the Government's commitment to encouraging international investment.



Navigating Bahrain's strategic constraints

As Bahrain pursues its social and economic development, its strategy must recognise a number of important strategic constraints that are specific to Bahrain. These constraints significantly limit the range of choices facing the Kingdom, and are typically not within the Government's ability to influence. As a result, understanding and appropriately responding to these strategic factors is critical to ensuring the effectiveness and success of the National Development Strategy.

The most important four factors shaping Bahrain's strategic context are:

- **Demographic dynamism** – rapid workforce growth and evolution of the country's demographic structure
- **Natural resource constraints** – relative scarcity of key productive resources such as hydrocarbons, water, food and, most notably, land

- **Fiscal sustainability** – increasing pressure to ensure sustainability of government finances after years of rapid expenditure growth
- **External competition** – a small domestic market in an increasingly competitive and rapidly evolving regional and global economy

The Government must recognise the implications of the Kingdom's strategic context, as well as its competitive advantages, in order to tailor a development strategy which is feasible, efficient and effective.



Demographic dynamism: rapid population growth and evolution of the country's demographic structure

As much as qualified human capital constitutes one of the key competitive advantages of Bahrain, the exceptional demographic dynamics of the Kingdom also present a number of fundamental challenges. Whether in terms of the growing numbers of nationals or the continued influx of expatriates, Bahrain must prepare for the demands which will be placed on its infrastructure and government services. Properly leveraged, this growing pool of human capital represents an extraordinary productive asset. However, the growing numbers and increasing life expectancy also represent a potential drain on resources, whether in terms of social services, jobs, utilities or transport infrastructure.

- **Bahrain has experienced very rapid population growth:** According to the 2010 census, the annual pace of population growth between 2001 and 2010 was 7.4%, taking the total resident population from 650,000 in 2001 to 1,230,000 in 2010 . Population in 2013 is estimated to be 1.39mn, representing a growth rate of 4% annually from 2010.
- **This overall growth has been primarily driven by expatriates:** The annual rate of increase of the expatriate population between 2001 and 2010 was 11.4%. This pushed up the non-Bahraini proportion of the population from 38% in 2001 to 54% in 2010. The expatriate population is predominantly working age with 88% of resident non-Bahrainis between the ages of 20-64. The relative reduction in population growth over the past four years is a result of slower growth in the non-Bahraini employment, and as a result, non-Bahraini population.
- **The number of Bahraini adults will increase rapidly:** Between 2001 and 2010 the Bahraini dependency ratio dropped from 104% to 87% ; this trend is expected to continue further, with the dependency ratio estimated to fall to 77% by 2020, and further to 74% by 2030. As a result, the Kingdom will see a growing share of Bahraini adults as a proportion of the total Bahraini population and a falling proportion of dependents.

- **Due to a large young population and increased participation rates among women, the Bahraini workforce is expected to expand rapidly in the coming years:** In 2010 the Bahraini workforce stood at 185,055, and is estimated to be 206,548 in 2013. The Bahraini workforce is expected to reach 258,852 by 2020 and 326,440 by 2030. This will translate into growing demand for quality jobs, housing and social infrastructure.
- **As the youth boom that emerged over the past decade gradually ages, Bahrain will experience a sharp increase in its elderly population, a trend that will become especially pronounced beyond 2020:** The 65+ age group among Bahraini nationals is expected to grow significantly faster than the 0-19 and 20-64 age groups, and is expected to triple in number between 2010 and 2030, from 24,000 to 72,000. As a result, the 65+ age group is expected to increase from 4.1% of the Bahraini population in 2010 to 8.8% in 2030. This will have important implications for the demand for health and elderly care services.



Natural resource constraints:

Relative scarcity of land, hydrocarbons, water and food

Sustainable development must be based on a realistic assessment of the availability and future costs of Bahrain's finite resources. Increased economic activity will rapidly increase the demand for these endowments while the Kingdom's ability to meet this demand growth is limited. Therefore, economic planning must account for these limitations by avoiding investments in unsustainable activities.

Land: Bahrain faces severe land constraints, with most of the island's land mass already being utilised. While much of the southern area of the Kingdom is not zoned for major commercial or residential use, the ongoing exploitation of the Bahrain oil field will limit the feasibility of developing the area.

- **The land area of Bahrain is severely constrained with significant imbalance in its development:** The Kingdom occupies a total land area of about 765.8 sq km. There is significant imbalance in the development of land. The total land area is characterised by high levels of urbanisation in the north while economic diversification in the south remains a challenge due to the ongoing extraction of oil and gas in the south of the island.
- **There is significant imbalance in the development of land:** The total land area is characterised by high levels of urbanisation in the north while economic diversification in the south remains a challenge due to the ongoing extraction of oil and gas in the south of the island.

Economic planning must account for the natural resource constraints by avoiding investments in unsustainable activities

- **Economic diversification has dramatically changed the mix of land use:** Increasing amounts of land have been allocated to commerce and industry, while there has been a significant decline in arable land.
- **The total stock of zoned land available for future development is limited:** Approximately 330 sq km⁵ of land is currently estimated to be available for future development, while the rising population and significant economic growth will continue to sharply increase the demand for land for residential, commercial and industrial purposes.
- **As a result, government policy has encouraged land reclamation to accommodate development:** From 1964 to 2012, over 100 sq km of land has been reclaimed, increasing Bahrain's total land area by approximately 15%. The majority of the newly developed industrial, commercial and residential sites are situated on reclaimed land but continuing reclamation has significant cost implications.
- **The ongoing land reclamation entails significant risks to the environment and marine ecology:** In recent decades, over 150 sq km of marine habitats – roughly equivalent to 20% of Bahrain's total land mass – have been irreversibly lost due to land reclamation.

Hydrocarbons: Bahrain's oil and natural gas fields are nearing maturity and, on current projections, provide limited opportunities for significant increases in production. With domestic and industrial demand for natural gas rising rapidly, meeting the needs created by future growth represents a major challenge.

- **Bahrain relies on oil from two oil fields - Awali and Abu Sa'afa:** The onshore Awali field is undergoing a rehabilitation project to increase daily oil production from approximately 45,000 bpd in 2013 to 100,000 bpd within the next decade, however further expansion will be more difficult and costly due to depleting reserves and deeper drilling. Abu Sa'afa is an offshore field, which is shared with Saudi Arabia and operated by Saudi Aramco. Bahrain's share of the output currently stands at 150,000 bpd and is not expected to change significantly in the near-to-medium term.
- **The Khuff gas reservoir is the main source of natural gas in Bahrain:** Originally developed in the late 1960s to support the Kingdom's industrialisation drive, the field currently produces approximately 481bn cubic feet of natural gas a year, with another roughly 200bn cubic feet available from associated gas.

⁴ The dependency ratio is defined here as dependents (0-19 and 65+ population) as a share of non-dependents (20-64 population). A fall in dependency ratio indicates a relatively fast growing working age population (20-64).

- **The entire gas production of the Kingdom is consumed domestically:** Power generation and water desalination (excluding ALBA) take up approximately one third of the total gas produced. Meanwhile, manufacturing consumes about 40% of Bahrain's overall output, driven by the petrochemicals, aluminium and steel sub-sectors. Most of these leading gas consumers are considered strategic industries and constitute significant sources of export receipts and government revenue. The majority of the residual gas output, approximately one-quarter of the total production, is injected back into the oil fields as well as being used for crude oil refining, associated gas processing, and assorted industrial applications.
- Given the continued heavy reliance of the economy on natural gas, Bahrain may become a net importer of gas within a decade: Limited domestic gas may require Bahrain to import gas at international prices which are much higher than local prices. The increased cost of gas may threaten Bahrain's industrial base or increase the cost of power and water generation in the Kingdom.



Bahrain may become a net importer of gas within a decade

Water: Bahrain is situated in one of the most water-stressed regions in the world, and with high population and industrial growth, the demand for water has increased from both residential and commercial consumers.

- **Bahrain's water supply is only just sufficient to meet current levels of water demand:** In 2011, the total water resources in Bahrain amounted to only 471.9mn cubic metres, divided nearly equally between traditional and non-conventional water resources. By contrast, water demand in 2011 was estimated at 354.6mn cubic metres, with per capita water consumption amongst the highest in the world.
- **There will be ongoing rapid growth in demand for water:** Over the last decade, water consumption registered growth of 57%. Projected population and economic growth for the next decade will likely prompt significant further increases over the coming years.
- **The main water consuming sectors in Bahrain are the residential and agricultural sectors:** According to the most recent data, the municipal sector accounts for 47.4% of water consumption and the agricultural sector for 44.5%, with the industrial and commercial sectors making up the remaining 8.1%.
- **The increasing demand for water has corresponded with the gradual depletion of the main Dammam aquifer:** Groundwater production declined by 34% over the last 10 years while its contribution to local consumption contracted by 63% in the same period.

⁵Source: Ministry of Municipalities Affairs and Urban Planning

- Non-conventional water resources are becoming increasingly essential for Bahrain's water security, but at a price: Bahrain currently sources 70% of its water supply from nonconventional methods, such as desalination and treated sewage effluent (TSE). Several projects have been initiated in order to increase non-conventional water resources and enhance water transmission, including increasing the domestic capacity of TSE and desalination plants. However, non-conventional water resources are a very costly alternative to groundwater and conventional water production and are energy intensive. As water production costs rise and with growing reliance on these alternatives, these increased costs will be borne by the Government and end users.

Food: The Kingdom's growing population has resulted in rapidly increasing demand for food. The Kingdom's limited land resources and arid climate highlight the importance of a comprehensive food security strategy.

- **Bahrain faces serious food security challenges:** Food consumption has expanded at a faster rate than local food production capacity and this trend is expected to continue as a result of the limited availability of arable land, acute water scarcity and arid climates. If this pattern continues, Bahrain's dependence on imported food will increase.
- **There is heavy dependence on food imports:** Bahrain is highly dependant on food imports to satisfy the nation's food requirement. Food imports represented 12% of total non-oil imports in 2011.
- **Dependence on food imports brings with it exposure to price shocks and volatility:** Food prices have increased globally and are currently twice the level they were in 2004. This upward trend is expected to continue as global population growth outpaces increases in agricultural production. Bahrain faces elevated risks of price shocks and volatility due to the heavy reliance on international suppliers.
- **Increased prices and demand will increase the cost of subsidies to the Government:** Food subsidies increased from less than BD 10mn in 2004 to BD 51mn in 2013. If subsidy policies are not changed, the total cost of food subsidies is expected to continue to rise at a rapid rate in the coming years.



Fiscal sustainability:

Mounting pressure on the current fiscal model

The Kingdom's fiscal situation has deteriorated sharply in recent years, something that marks a sharp reversal of the positive momentum observed in the years prior to the global economic crisis. Despite 90% growth in total expenditure between 2003 and 2008, the Government posted fiscal surpluses and achieved a reduction in public debt from 32.5% of GDP in 2003 to 12.6% in 2008.

The deterioration in Bahrain's fiscal situation was triggered by the oil price crash of 2008, which led to a fiscal deficit of over 5% in 2009, almost BD 450mn. This highlighted the extreme vulnerability of the Government's fiscal position to oil price volatility. Oil continues to generate the vast majority of overall government revenues – some 88% in 2013. Although oil prices have rebounded since 2009 and remained at a historically high level, government expenditure has continued to grow even faster, expanding by 60%. The growth of recurrent spending has been especially pronounced. The break-even oil price was estimated at \$122 in the 2013 budget, a figure that clearly exceeds historic and forecasted future oil prices.

The current fiscal fundamentals of the Kingdom highlight the urgency of developing a credible fiscal consolidation plan and putting the fiscal system on a sustainable trajectory.

- **Government spending has grown quickly:** Government spending has more than tripled from BD 1.1bn to BD 3.4bn in the ten years leading up to 2013. This has far outpaced the Kingdom's GDP growth over the same period.
- **Interest payments are mounting:** Interest payments increased from BD 50mn in 2009 to BD 192mn in 2013. Interest payments accounted for almost 6% of government spending in 2013.
- **Subsidies form a significant cost to Government:** The total cost of spending and missed revenues due to subsidies was BD 1.3bn in 2014.
- **Subsidies do not effectively target the greatest social needs:** While they represent a massive fiscal burden, subsidised goods are disproportionately consumed by relatively high income households and businesses. According to the household survey of 2006, less than 15% of total household consumption of subsidised goods went to households whose monthly income was below BD 600. However, such households accounted for a much higher percentage – more than 26% – of those surveyed.



Interest payments as a percentage of Government spending (2013)

6%

These fiscal trends of recent years have had adverse implications for Bahrain's credit ratings. All three major credit ratings agencies sharply downgraded Bahrain's credit rating in 2011, thereby bringing the Kingdom's standing below that of its GCC neighbours. These decisions have been justified by the Government's weak fiscal position, its dependency on revenue from hydrocarbons and the financial sector and the political turmoil which spread through the Middle East. These downgrades have significantly increased the cost of raising additional debt, both for the Government and – indirectly – for all other entities operating in Bahrain.

Apart from the budgetary trends reviewed above, there are other important risks to fiscal sustainability, most notably the mounting actuarial deficit of the public pension system. The future projected revenues of the pension system will not cover its future spending. Bahrain's national pension scheme is currently a defined benefit system, which means that a participant's contributions to the fund are not necessarily proportionate to the benefits they receive over a lifetime.

- **The current pension system is unsustainable:** The pension fund has an estimated actuarial deficit of over BD 6bn as of 2013. In other words, the benefits received by current pension fund participants will be BD 6bn larger than contributions over their collective lifetimes. This amount is larger than the Kingdom's overall public debt at present.
- **Benefits are much larger than contributions:** As of 2011, average benefits paid out per pensioner were equal to twice the average contribution per Bahraini worker. However, due to a relatively large number of Bahraini workers compared to pensioners, revenues are still higher than costs at present. This situation is highly sensitive to changes in the demographic profile and will deteriorate as the population ages.
- **Demographic shifts challenge the pension system:** As the ratio of pensioners to contributors increases, the pension fund will begin to run deficits. As shown in the demographic section, the 65+ age group is rapidly increasing, implying that a large growth in pensioners is expected over the coming decade. Moreover, increases in life expectancy have pushed up the number of years people spend in retirement and this has not been reflected in commensurate increases in the retirement age. The statutory retirement age in Bahrain remains very low by global standards.



External competition:

The need to create a dynamic competitive environment in a rapidly evolving regional and global economy

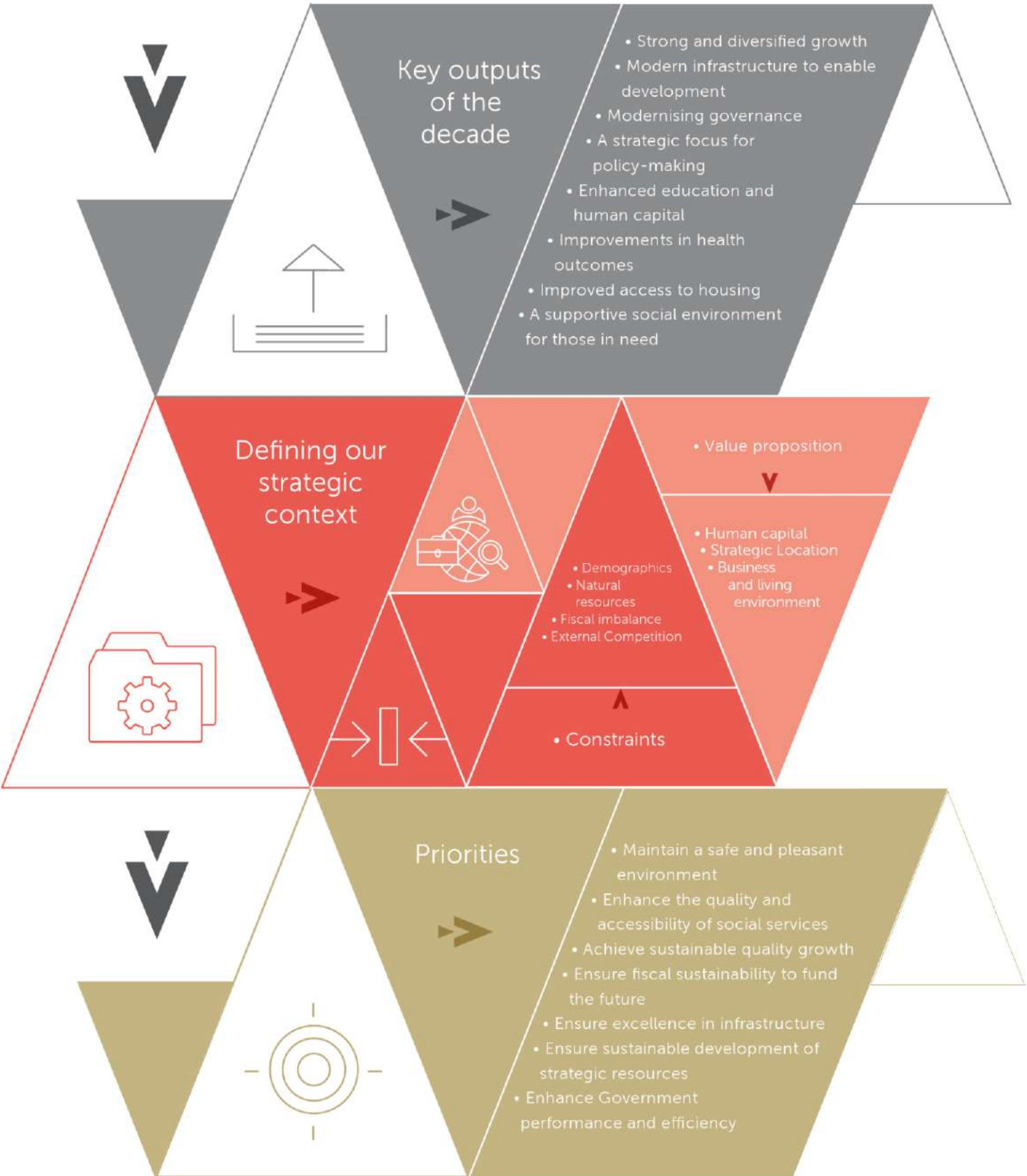
In recent decades, regional economies have made impressive strides in stimulating economic growth through diversification, in many cases through the development of sectors that have also been successful in Bahrain. The progress made by its neighbours in building their infrastructure and developing their human capital has eroded many of Bahrain's historical competitive advantages. Moreover, the larger population bases and economic resources of other regional countries have in many cases allowed them to develop new facilities on a regionally significant scale which Bahrain cannot match.

Alongside the shifting regional and global economic fortunes, Bahrain was affected by the period of regional unrest in 2011, which resulted in a twofold problem:

- First, the perception of political risk across the Middle East region was heightened in the eyes of many investors and observers, amplified in part by commentary from rating agencies and some analysts. Compelling investment fundamentals allowed Bahrain to largely avoid any outflow of corporate interests already established in the Kingdom, although there is evidence that some potential entrants were deterred by perceptions of political uncertainty.
- Second, unrest in Bahrain occurred at a time when other regional jurisdictions were beginning to recover from the 2008-2009 financial crisis and laying the foundation for renewed expansion, further supported by a robust recovery in oil prices. Significant domestic distractions meant that Bahrain struggled to regain positive momentum in a comparable way even as the economy continued to show resilience.

Beyond these cyclical and one-off factors, the global competitive environment has continued to evolve dramatically in recent years. The increasingly pronounced shift from resource-based competitiveness to the emergence of the knowledge economy paradigm and globalisation has fundamentally redefined the environment facing the Kingdom. Globally, value creation has become ever more heavily skewed toward human capital development through ongoing education and innovation. International investors and corporations increasingly view their options in global terms and decisions to relocate from one jurisdiction to another are made more easily and quickly than before. In many cases, the development of ICT technology has reduced the significance of physical location for many activities.

Bahrain's efforts to chart its way forward will be further complicated by the fact that the dynamics of the global economy have changed as a result of the current global economic environment and are unlikely to revert to 'normal' any time soon. National efforts to boost Bahrain's competitive advantages will almost certainly have to take place in an environment of global economic uncertainty that is exceptional by historical standards.



III. Strategic priorities for the next four years



Overview of the National Strategic Priorities

The previous sections of this document set the stage for the work to be undertaken over the coming four years to ensure the enduring well-being and prosperity of all Bahrainis through ongoing economic and social development. It reviews Bahrain's many impressive achievements and its value proposition, but also acknowledges important limitations and constraints.

To guide the Government's efforts over the coming four-year period, seven National Strategic Priorities have been identified to enable the Kingdom to move forward in a way that maximises the benefits offered by its value proposition while sensibly recognising the limitations imposed by the constraints discussed above. These are broad, thematic objectives – in line with Vision 2030 – around which stakeholders can align, and which will steer the direction of the nation over the medium term. This strategy also identifies actionable initiatives that will contribute to the realisation of each of these strategic priorities.

These important strategic priorities must be pursued with full recognition of the constraints outlined above. Bahrain must seek to achieve enduring results, which is something it can only do by explicitly incorporating its resources and fiscal limitations in its policy development and strategic planning. Ensuring continued macroeconomic stability without compromising its development potential entails smart government and a continued transition away from the oil-era fiscal model. The Bahraini Government must be a model organisation, managing its own operations and administering shared national resources with the maximum efficiency, transparency, and accountability. To meet the needs of the nation today and tomorrow, Bahrain needs to learn to do more with less.

The Government must recognise that Bahrain's future prosperity is only achievable through sustained quality investment. As it redefines its own role, the Government has to work to actively enable the private sector to do more. It must ensure that the private sector has adequate access to other productive resources for quality investment. It must boost the availability of land for development while standing ready to support priority projects through incentives and co-investment.

These are not simple or short-term aspirations and they cannot be fully addressed within four years. In order to meet them, the Government will need to continue to adapt and improve its approach as circumstance demand over future economic planning cycles.

These National Strategic Priorities are as follows:



National Strategic Priority 1:
Maintain a safe and pleasant environment

A safe and desirable environment is a fundamental precondition for the continued economic growth and social development of the Kingdom. The Government's objective is to create a pleasant environment which provides attractive leisure and recreational opportunities and a dynamic social environment. The Government will deepen a sense of community and awareness of Bahrain's rich cultural heritage. Additionally, the Government must ensure the safety and security of Bahrain and protect the rights of citizens and residents alike.

National Strategic Priority 2:
Enhance the quality and accessibility of social services

The Government must create the appropriate enabling conditions for all Bahrainis to have equal opportunities to participate in the country's economic and social development. This entails equipping each individual with the basic prerequisites for full participation in social life and the economy. These include quality healthcare, quality education and training, as well as decent and affordable housing. While working to enable all Bahrainis to prosper, the Government must also recognise that equality of opportunities can never translate into full equality of outcomes. Hence one of the Government's key responsibilities is to provide additional need and support where it is needed so as to enable all to enjoy a dignified life.

National Strategic Priority 3:

Achieve sustainable quality growth

The Government will work to deliver sustained economic progress that meaningfully benefits all Bahrainis. To achieve this goal, the Government will enhance the productivity of the Kingdom's workforce and boost the efficiency of its labour markets. The Government must place the private sector at the forefront of driving the Kingdom's development through policies that foster entrepreneurship, company growth and ongoing innovation. Bahrain must aspire to excellence in regulation to provide the most attractive operating environment for companies. Openness is central to the prosperity of Bahrain's economy. It gives it access to knowledge, skills, and capital while enabling Bahrain-based companies to transcend the limitations of the national markets and improve access to global markets. The ultimate objective of quality growth must be a diversified economy underpinned by a number of resilient and flexible growth drivers.

National Strategic Priority 4:

Ensure fiscal sustainability to fund the future

The Kingdom's fiscal situation has deteriorated sharply in recent years. The Government must ensure that the situation is brought under control without further damage to the Kingdom's credit rating and the cost of capital. To do this, gradual action will be taken on both sides of the Government balance sheet, including better management, prioritisation, targeting of Government spending and subsidies and increasing the sustainability of Bahrain's pension system. Fiscal consolidation must be aligned with efforts to develop new sources of capital to secure the future development of the economy. The Government will work on encouraging the private provision of key services, public-private partnerships, more active capital markets, and quality foreign investment. Government-related entities will stand ready to support key projects through co-investments.

National Strategic Priority 5:

Ensure excellence in infrastructure

Modern high-quality infrastructure and urban planning are essential to match the demands created by Bahrain's growing population and increasingly diverse economy. The Government will focus on delivering priority infrastructure projects that are necessary to enable economic growth and to enhance the standard of living. The Government will also ensure proper planning and coordination in order to deliver high quality infrastructure, utilities and public transportation to Bahrainis and investors as efficiently as possible.

National Strategic Priority 6:

Ensure sustainable development of strategic resources

Bahrain faces a number of significant resource constraints, in particular with respect to land, energy, water and food. While economic policy choices must recognise these limitations, the Government must also seek smarter solutions to reduce the impact of resource constraints where possible. Innovations to enhance the efficient production, distribution and utilisation of resources will both ease supply constraints and reduce demand for scarce resources.

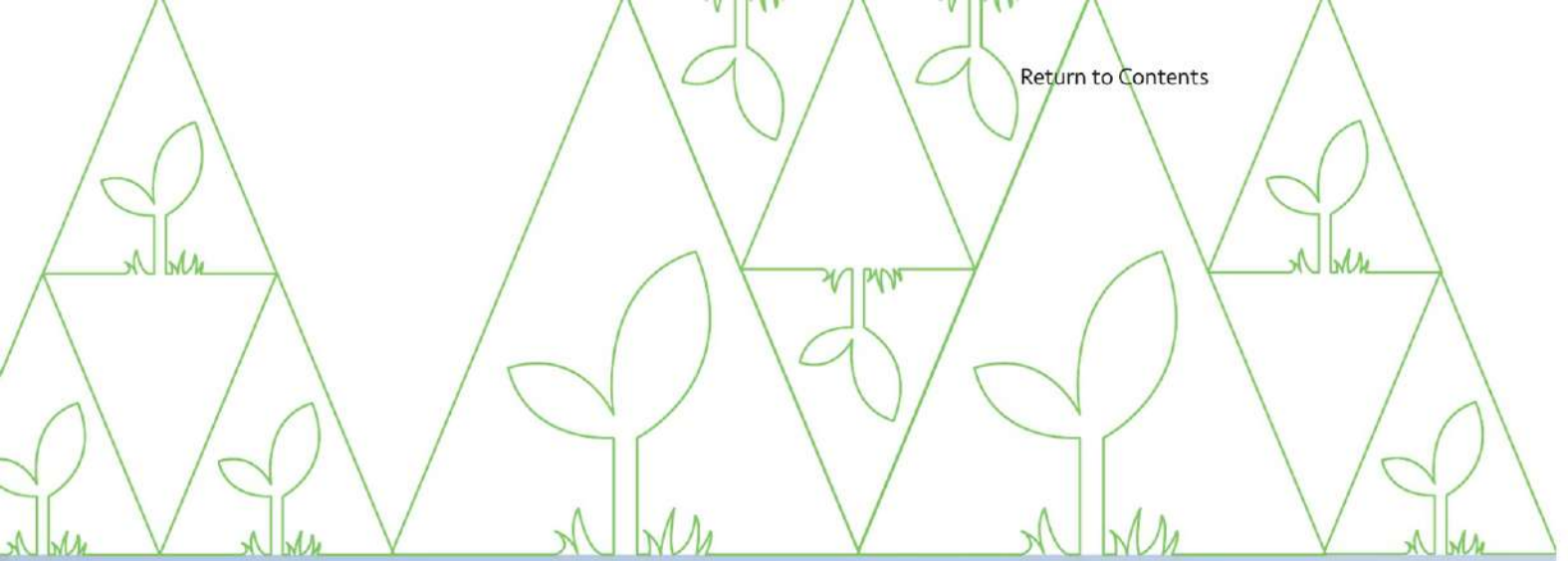
National Strategic Priority 7:

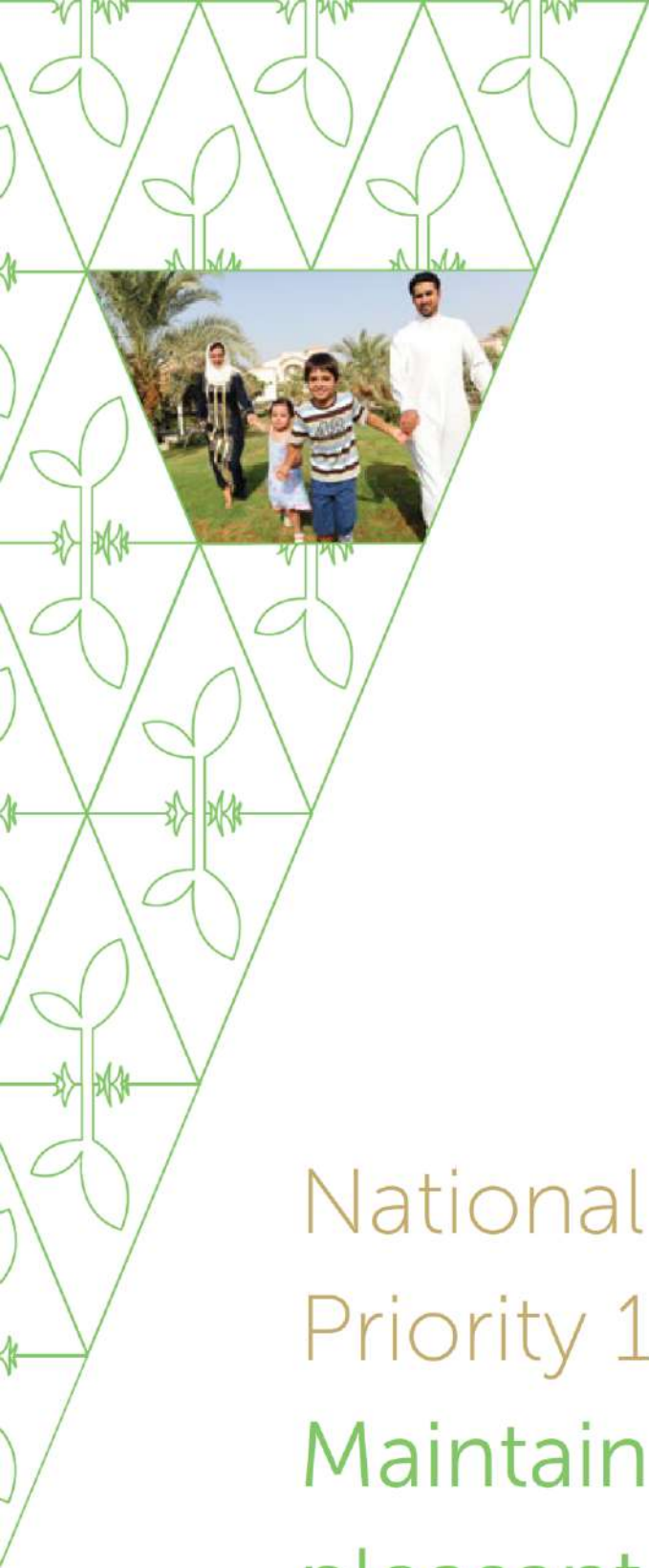
Enhance Government performance and efficiency

The Government aims to become a model of smart and efficient delivery of services to citizens. The Government intends to modernise its services by continuously improving its strategic planning, its internal operations and its use of technology. Furthermore, the Government aims to increase both the effectiveness of its communication between Government entities and its communication with the public, as well as to improve transparency and accountability in Government.

The regulatory system in Bahrain will be improved to build upon its liberal business climate and to address any regulatory inefficiency that limits the country's growth and investment potential. The Government will forge foreign alliances and communicate Bahrain's culture and interests abroad to create opportunities for partnerships for economic development through diplomatic relations.





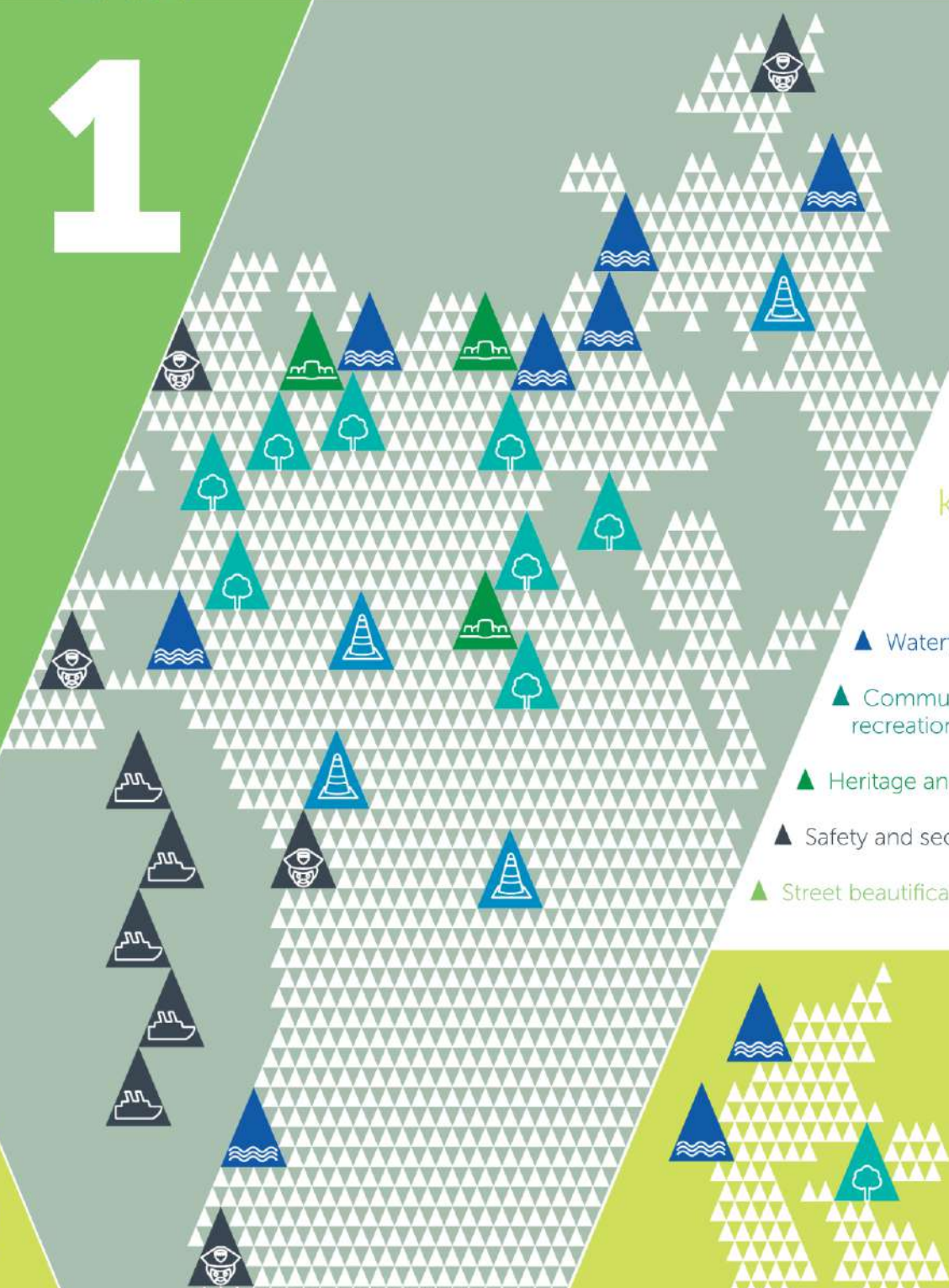


National Strategic
Priority 1:
Maintain a safe and
pleasant environment

Maintain a safe and pleasant environment



1



Overview of key initiatives:

- ▲ Waterfront facilities
- ▲ Community parks and recreational centres
- ▲ Heritage and cultural sites
- ▲ Safety and security
- ▲ Street beautification

The ultimate goal of this National Development Strategy is to safeguard and enhance the wellbeing and happiness of the Bahraini people. In order to achieve this, the Government will ensure that the Kingdom has an environment which appeals to its residents by improving access to public spaces, protecting its cultural heritage, creating a safe environment and protecting the rights and freedoms of all citizens. Maintaining an attractive public realm will also contribute to making Bahrain an attractive location for tourists and help to provide a pleasant, appealing lifestyle for potential foreign investors.



Priority 1.1:
Access to public spaces

Attractive and accessible public spaces are an important component of the overall liveability of any area and play a vital role in fostering social wellbeing. Such spaces are an important forum for social interaction, and they promote social cohesion and healthy lifestyles, as well as providing opportunities for leisure and tourism. Additionally, while pleasant public spaces are important for the social health and happiness of the Kingdom's citizens, they also play a critical role in improving Bahrain's desirability as a tourism and investment destination (see *Priority 3.6: Achieve genuine diversification*).

The Kingdom aims to create numerous new public spaces which are accessible to all communities across the island. Furthermore, the Government will focus on widening the variety of such resources by creating and maintaining more private and public sea front properties for leisure and tourism, large public parks, community gardens and recreational facilities, as well as creating an aesthetically pleasing environment through the refurbishment of street lights and the use of greenery.

Expand public waterfront facilities

The Government will make a greater proportion of the shoreline accessible to the public, including beaches and waterfront facilities, while also developing and improving existing facilities. New coastline developments will be prioritised to improve accessibility to the public, while also adhering to the standards and requirements for the accessibility of the elderly and individuals with disabilities.

To that end, the Government will develop several beaches and coastline properties, including Al Jazair beach, the Qalali coastline in Muharraq, the King Faisal Corniche and the Al Fatih Corniche. Various recreational facilities will be built along side these developments to create modern leisure destinations which may be enjoyed by all.

Other projects include the northern coastline development project and the Dimistan coastline project, the Tubli coastline project, the Al Dair and Samahej coastline, the Al Busaiten coastline, and the Juffair coastline.

Expansion of community parks in residential developments

The Government is committed to developing community parks, gardens and recreational facilities in every residential area of the Kingdom, and it has developed many parks and gardens across all Governorates.

Over the coming four years, the Government will develop 24 new community parks in various residential developments that lack such facilities.

Development of public parks and expansion of recreational facilities

The Government will work to increase the number and diversity of public parks and recreational facilities as well as continue to enhance their versatility to different users. The Government will increase cooperation with the private sector in the creation and operation of parks, where feasible.

The Government will complete the second phase of Al Hunainiyah Park in the Southern Governorate, in addition to developing a new public park in Hamad Town.

Street beautification

The Government will continue to develop and maintain areas which promote walking and outdoor activity by creating comfortable walking paths, providing adequate outdoor seating, and developing an aesthetically pleasing environment through the use of greenery and lighting.



Priority 1.2: A preserved and protected national culture

As Bahrain continues through an era of unprecedented modernisation and development, the importance of preserving its cultural identity has grown in urgency. Under similarly rapid development, the region has seen a degree of cultural convergence through the adoption of western architecture and modern infrastructure. While this has improved the standard of living, it also highlights the importance of defining and differentiating what makes Bahraini culture unique in the broader region. Furthermore, articulating and developing the Kingdom's culture will serve as an anchor for its national identity, creating a uniting and shared social experience.

The Government will focus on maintaining and developing its physical historical assets, as well as developing its cultural programmes which aim to preserve records of Bahraini history, promote the arts and offer cultural events and festivals. The cultural offerings of Bahrain will also have significant implications for the Kingdom's tourism sector, as outlined in *Priority 3.6: Achieve genuine diversification*.

The following specific initiatives over the next four years will be prioritised to achieve these objectives:

Protect, develop and promote Bahrain's heritage sites

The Government will protect, manage and develop heritage sites, particularly those featured on the UNESCO World Heritage List, such as the Muharraq pearling trail.

The Government will also construct museums and other visitor facilities to ensure engaging and informative experiences in the Kingdom's heritage and tourism sites.

To attract regional and global visitors, the Government will license hotels next to specific cultural attractions such as the traditional Bab Al Bahrain Market and heritage sites in Muharraq. These initiatives aim to increase awareness of and visits to the Kingdom's diverse cultural sites. The Government will also improve security and signage at all heritage sites, particularly those lacking service facilities to accommodate visitors.

Furthermore, the Government will also build awareness locally, through organising more excursions to cultural and historical sites for local schoolchildren.

Host cultural events and festivals

The Government will continue to host a wide variety of live shows, art galleries, and book festivals, including seasonal festivals such as the Bahrain Summer Festival and the Spring of Culture. Additionally, the Bahrain National Theatre will continue to host live performances throughout the year.



Promote Bahrain's culture internationally

Through enhanced links with museums around the world, the Government will increase global knowledge of Bahraini history and civilisation. Part of this initiative includes hosting regional and global cultural events in Bahrain to increase awareness of other cultures. In addition, the Kingdom plans to participate in cultural events worldwide to represent the historic and traditional aspects of Bahrain abroad.

Facilitate the involvement of the private sector in cultural development programmes

The Government will seek to forge strategic partnerships with the private sector through the 'Investing in Culture' project to support the cultural landscape in Bahrain by financing construction projects and recurring programmes revolving around entertainment – such as festivals, exhibitions and other cultural activities.

Priority 1.3:

A safe and secure environment that respects citizens' rights

Safety and security are essential for a prosperous and healthy society for citizens and residents, as well as visitors and investors from abroad. The Government's focus in this area is to improve overall safety in the Kingdom by focusing on initiatives which reduce crime, increase road traffic safety and allow for better readiness in terms of anticipating and reacting to natural, human and technological disasters. Apart from corrective and reactive measures, the Government will persist in its efforts to build awareness of risks and resilience capabilities.



The following specific initiatives over the next four years will be prioritised to achieve these objectives:

Develop the Kingdom's defence and security capabilities

Arrangements will be put in place to train and equip the Kingdom's security forces at the Ministry of Interior and the Bahrain Defence Force. The Government will also enhance the performance of security and defence agencies through the appropriate use of the latest technology.

Moreover, the Government will work on aligning mandates and objectives across the relevant stakeholders involved in securing the Kingdom's borders, such as Coastguard, Immigration, Customs and other authorities responsible for 'Points of Entry'.

Reduce occurrence of criminal offenses and increase neighbourhood security

The Government will expand its efforts to reduce crime and secure local neighbourhoods. Preventative and reactive measures will be strengthened to disincentivise crime. The Government will also take measures to prevent the illegal trafficking of drugs, weapons and all substances which pose a risk to the safety and stability of the Kingdom.

Enhance road safety

The Government will review and update the current road safety strategy for the Kingdom. This strategy will focus on introducing new programmes and enhancing existing systems, laws and regulations to reduce the number of accidents on the roads. Such programmes include improving enforcement of the traffic law, streamlining road traffic movements, installing smart traffic signs and traffic signals with fibre-optic technology and developing a GIS database for traffic accidents.

Modernise technology and combat cybercrime

Steps will be taken to co-ordinate across relevant Government agencies to ensure the effective and efficient use of available technologies in the pursuit of criminal activity and intent. Additionally, the Government will ensure that cybercrime regulations are introduced to impose penalties on those who deliberately breach private or public networks to destroy or disrupt information systems or to steal information. These measures come in line with the overall goal of updating the information technology law and keeping it in line with international rules, such as the European Convention on Cyber Crime.

Plan and prepare for effective disaster and emergency management

The Government will put in place plans and measures to prevent and mitigate natural, human-caused and technological hazards to reduce the Kingdom's vulnerability to disasters and emergencies and allow quick and effective responses when they do occur.

The Government will ensure that appropriate legislation is in place, including preventative measures, and any necessary contingency plans. Responses will require co-ordination and the appropriate division of responsibilities between ministries and relevant bodies. It will also reorganise and revitalise the current emergency management arrangements, which will ensure that they are fully integrated and co-ordinated and involve both the public and private sectors at all levels where necessary.

The Government will also ensure that sufficient safety measures are in place by reviewing the fire and safety specifications, as well as carrying out inspections on a regular basis to safeguard business locations.

Increase safety standards in the workplace

Occupational health and safety regulations, whether safety standards on a building site or fire exit procedures for office workers, are important to the wellbeing of all citizens and residents in Bahrain. They have also been shown internationally to save considerable cost to the economy and employers by mitigating lost productivity due to accidents.

Over the next four years, the Government will develop more specific standards for occupational health and safety. This will be accompanied by a broad awareness campaign to encourage safe behaviour in the workplace.

Priority 1.4: Promotion of human rights and social cohesion



Human rights and freedoms are key elements of a dignified life which are formally guaranteed in the Bahraini Constitution. The Kingdom of Bahrain has ratified several international and regional conventions and treaties as part of its commitment to protecting human rights, fundamental freedoms, and equal opportunities. In order to adhere to its international commitments in these regards, in the coming four years, the Government will continue to review the legislative and regulatory framework over the next four years.

The goal of promoting and encouraging the Kingdom's democratic culture is to ensure that the views and interests of all Bahrainis are represented when determining its future national development. To harness citizens' contributions, the Government will create an environment in which the rights of all are respected and all are allowed to freely express their opinions in accordance with the Constitution. In addition to enhancing freedom of expression, the Government will strive to encourage a culture of accountability, in which it may constructively address the views and concerns of citizens.

The Kingdom aims to create a democratic culture defined by mutual respect for all groups and participants. It will seek to promote harmony in its society by ensuring that all those who participate in civic life do so in a responsible and courteous manner.

The Government will prioritise the following specific initiatives to meet these objectives:

Improve regulation and the enforcement of human rights and freedoms

The Government will strive to improve its adherence to the principles of human rights, which are guaranteed by the Constitution and ratified by international agreements, by building the institutional capacity of its civil and security services. The Government will also put in place policies and procedures to ensure that the principles of the Constitution and ratified international agreements are not violated.

The Government will expand on regulation and legislation which ensures that the rights safeguarded by the constitutions are protected, including the right to free expression, privacy, and a free press in accordance with the Constitution.

Additionally, relevant Government employees will be continuously trained in adherence to the principles of human rights and the dignified treatment of citizens and residents alike.

Encourage social cohesion and religious tolerance

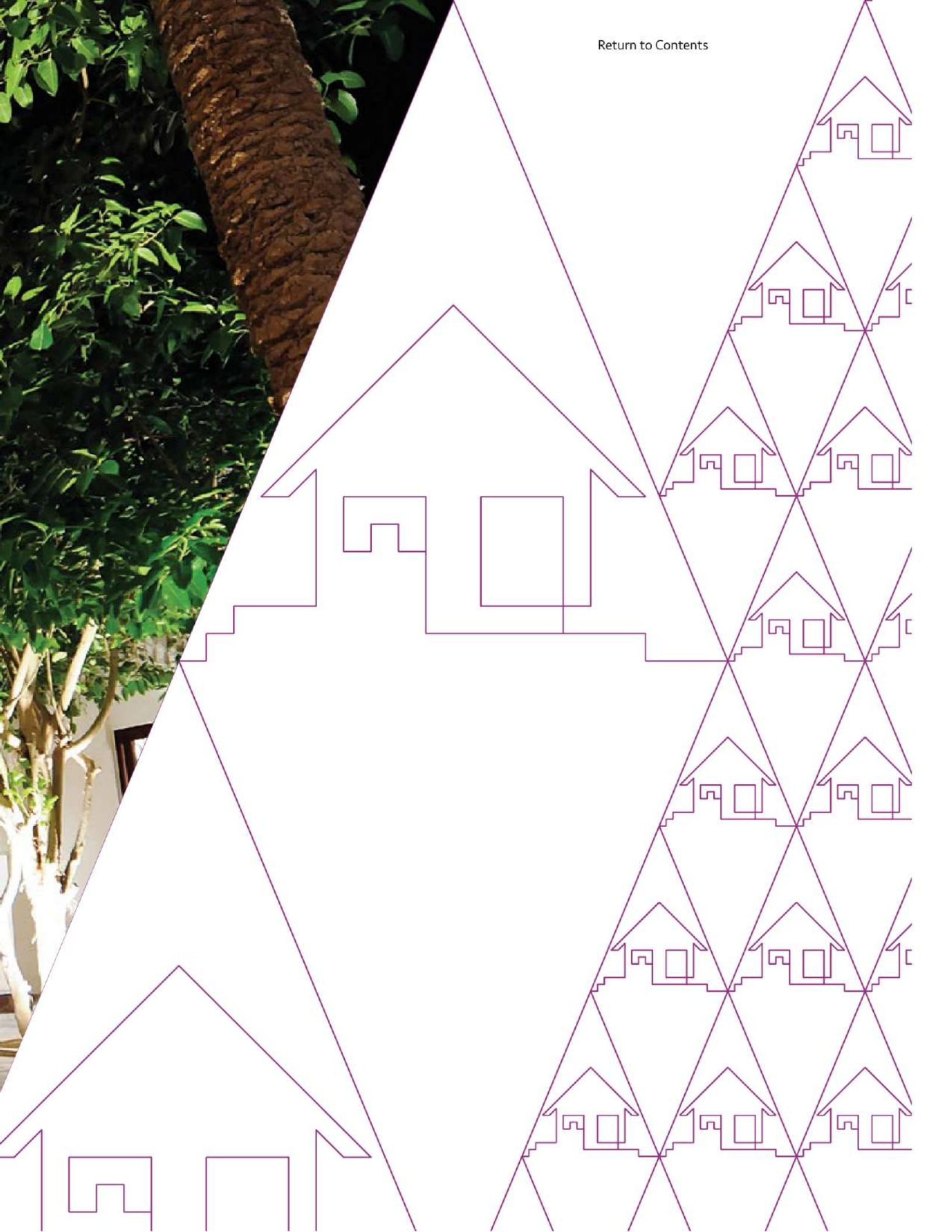
The Government will encourage social and religious tolerance in the community, and will attempt to promote constructive dialogue based on mutual respect.

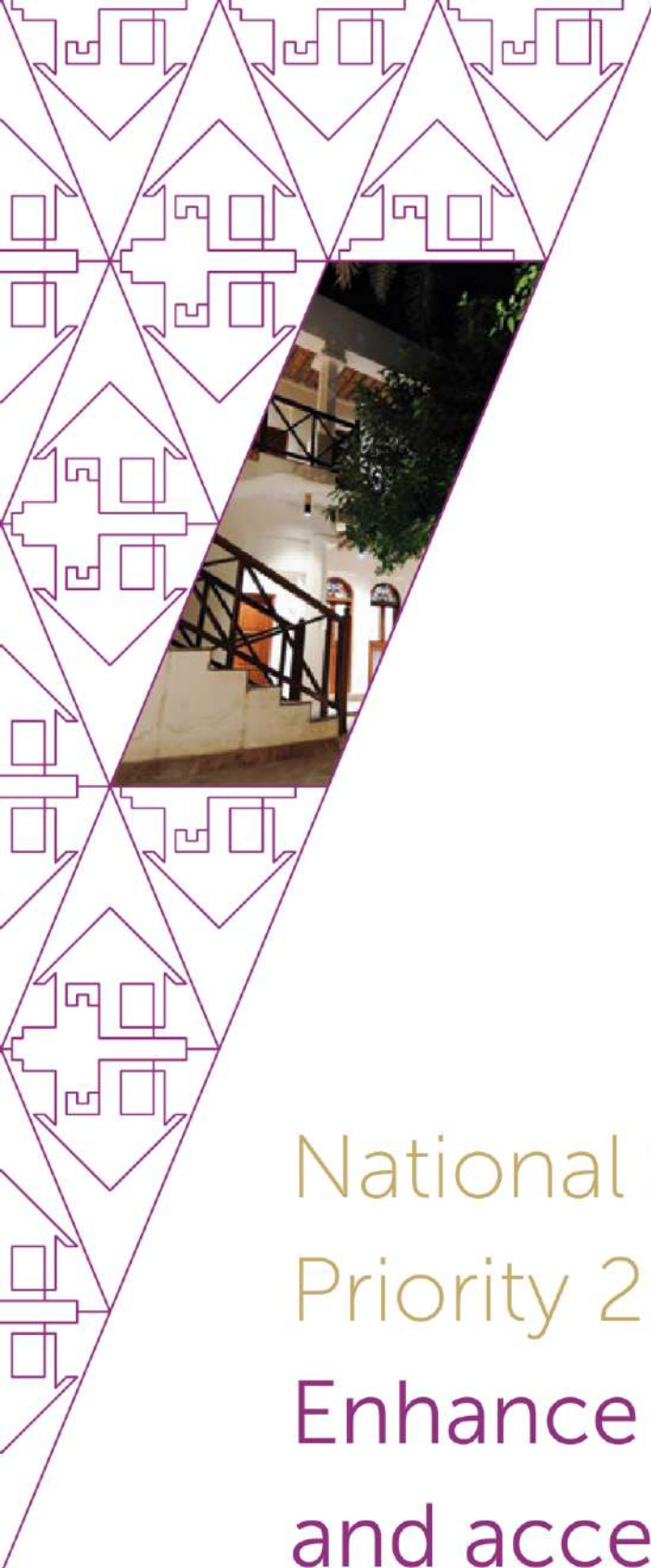
The Government will ensure that programmes and policies are in place to enhance mutual respect between all segments of society and to promote values of harmony, justice and democracy.

The Kingdom's efforts will also continue to protect and promote a democratic culture through the separation of the judicial, executive and legislative authorities.







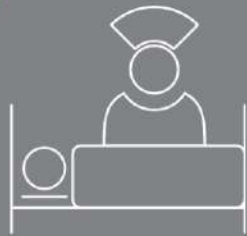


National Strategic
Priority 2:
Enhance the quality
and accessibility of
social services

Enhance the quality and accessibility of social services

Overview of key initiatives:

2



Develop new primary healthcare centres, new hospitals and specialised centres



Expand the size and quality of public schools across Bahrain



Develop 20 000 new housing units

Expand existing youth centres and develop new sports complexes

Build and operate new social centres



The Government of Bahrain aspires to create a society that secures the dignity and wellbeing of all Bahrainis. To implement this aspiration in practice, the Constitution mandates that all citizens have access to quality healthcare, housing and social services and that the Government also commits to ensuring that Bahrainis can benefit from quality education and gainful employment without having to endure the burden of poverty. To this end, the Government recognises the importance of a basic standard of living and the right conditions to enable individuals to realise their talents and aspirations. As a result, the Government will work to improve the provision of healthcare, housing, education and social services to its citizens and those most in need will be given particular attention so as to ensure that no one is denied the opportunity to advance and the right to a dignified life.

The ultimate objective of the Government is a society of well educated people where industrious individuals can benefit from social mobility and which creates a solid and enduring foundation for a knowledge-based economy. High quality social services are vital in order to ensure this.

The Government is committed to improving the quality of and access to public services for all Bahrainis. While continuous investment is required to increase capacity in key areas such as schools, hospitals and social housing, the Government will also raise quality standards, reflecting its commitment to excellence in design, regulation and enforcement. In order to boost the availability of services and in line with its broader aim of boosting private sector involvement in the economy, the Government will be an active partner to private sector providers of social services, ensuring that their offerings are fully integrated within the range of services offered to citizens without compromising standards.



Priority 2.1:
High-quality and comprehensive healthcare services

Increasing the availability, affordability and quality of healthcare coverage

A society that ensures wellbeing and a productive economy depends on a healthy population. The Government will continue its long-standing efforts to increase the availability, affordability and quality of healthcare coverage in order to meet the evolving demands of Bahrain's growing population. In particular, the Government will address the growing prevalence of chronic and communicable diseases, as well as the needs of a rapidly expanding old age population.

The Government's approach to meeting the growing demand for health care services will involve several dimensions. Firstly, the capacity of existing facilities will be expanded, while new hospitals and healthcare centres will be established across all Governorates. The Government will invest in new healthcare facilities and specialised medical centres, including the creation of a National Diabetics Centre, a Dialysis Centre, the Mohamed bin Khalifa Cardiac Hospital and a National Oncology Centre, amongst others.

While the Government will be investing heavily in the development of these centres, it will seek ways to encourage greater private sector participation through investment and service outsourcing, particularly in areas where private sector expertise can add value to existing healthcare services. Access to healthcare will be further boosted through a unified network for ambulatory services.

The Ministry of Health will enhance and expand the management and professional capacity in the sector by improving recruitment, training and retention. Additionally, the Government has identified measures to improve the quality of care and safety provided to patients, such as strengthening licensing requirements for medical practitioners and better enforcing standards.

In its effort to improve public health standards in the Kingdom, the Government will expand the scale and range of preventative health programmes. National programmes focused on increasingly prevalent lifestyle diseases such as diabetes and cardiovascular conditions will be expanded to increase public awareness of the significant threats posed. These efforts will include continuing and developing existing awareness campaigns to promote the benefits of healthy lifestyle choices and exercise, as well as increased investment in preventative screening programmes and technology.

Access to affordable care will be enhanced by an integrated national health insurance system, options for which the Government is currently studying. The system will boost efficiency and value for money while ensuring sustainable health care financing for the years ahead. It will also contribute to the provision of higher quality care for all by increasing the choices available to citizens.

In its efforts to improve access without compromising quality, the Government will encourage greater participation by the private sector in the healthcare sector (see *Priority 3.6: Achieve genuine diversification*). Regulations and standards will be revised to encourage private sector participation and to allow the Kingdom to benefit from gains in efficiency that can be delivered by private service providers. Instruments such as performance-based contracts will be used to ensure that private sector providers balance profit motives with the standards of care and health outcomes desired by the Government.

The Government will prioritise the following specific initiatives to meet these objectives:

Develop a health sector master plan

A 10-year plan for the health sector, which will detail the Kingdom's facility and professional healthcare requirements, is currently being developed. Additionally, the plan will contribute to more effective strategic sectoral planning and informed health policy decision making.

Expand preventative health programmes and services

Bahrain's primary healthcare system will be reoriented to promote the early detection of non-communicable diseases (NCDs), which are among the leading causes of death in Bahrain. This will involve launching a national campaign to promote a healthy lifestyle and raise awareness of NCD warning signs to the general public.

The Government will also implement a national plan to prevent and address NCDs. This involves operating early detection NCD clinics throughout already established primary healthcare centres, while ensuring the availability of medicines for NCDs in those centres. The Government will also further expand its breast and cervical cancer screening services for women, as well as provide more services to help smokers quit, open new nutrition clinics and maintain a minimum vaccination coverage of 99% among children over the age of five.

Deliver comprehensive care services for inherited blood disorders

The Government aims to reduce the number of patients with inherited blood disorders, particularly sickle cell anaemia - one of the most prevalent genetic diseases in the Kingdom, and to improve care for those suffering from the disorder.

The Centre for Inherited Blood Disorders at Salmaniya Medical Complex was established with the aim of improving care for people living with sickle cell anaemia and other inherited blood disorders. In the coming four years, the Government will work towards operating the Centre at full capacity.

The Government will continue to provide comprehensive care services for patients with sickle cell anaemia, through measures such as newborn screening services, provision of periodic medical examinations, development of training programmes for health professionals in the field and the introduction of preventive and care awareness programmes.

Accelerate integration of services between Bahrain's healthcare providers to ensure coordinated, outcome-oriented and holistic patient treatment

To ensure that healthcare services are patient-centred, the Supreme Council for Health will oversee further integration of healthcare services across the Kingdom. This will involve several projects and protocols that will result in an improved and more coordinated patient journey at any of Bahrain's healthcare facilities.

Implementation of the I-SEHA project will continue so that there is an electronic patient record for each citizen and resident. In line with ensuring an integrated patient journey through the I-SEHA project, a national strategic medical warehouse will be built and in operation by 2018, in order to contribute to the timely and effective treatment of patients. The warehouse will be designed to meet the Kingdom's needs during emergency situations.

Improve the quality of service provision

Through its licensing and supervision process, the National Health Regulatory Authority will lay the foundation for the improvement of healthcare services.

The Ministry of Health will continue to comply with the standards of the National Health Regulatory Authority, which will facilitate meeting the certification requirements of international accreditation bodies. The Ministry is committed to obtaining and retaining the accreditation status of their facilities through the continued enhancement of service provision.

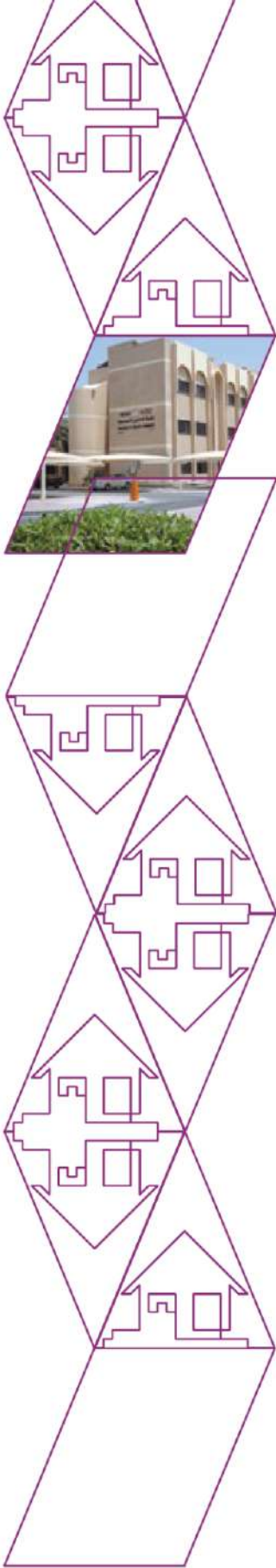
The Ministry will complement the role of the National Healthcare Regulatory Authority by developing internal standards to further improve healthcare quality and patient safety in its various facilities. Development will be undertaken by carrying out inspections and audits, conducting training programmes on patient safety, and continuously improving medical error reporting and follow-up.

Provide new healthcare facilities to improve access to health services

Alongside encouraging private sector involvement, four new primary health care centres and eight new hospitals and specialised centres will be provided by 2018 to meet the needs of a growing and aging population and an increased demand for healthcare services.

The major investments include:

- The Mohammed bin Khalifa Cardiac Hospital in Awali: A 140-bed hospital will be constructed by 2017.
- A national oncology centre at King Hamad University Hospital in Muharraq: The centre will be established in 2015, with a capacity of 120 beds. The facility will include a 10-bed Bone Marrow Transplantation Centre, the first-of-its-kind in the Arabian Gulf region, where bone-marrow transplant operations will be conducted to cure patients suffering from sickle cell anaemia and thalassaemia. The centre will also include a research facility that will be linked with the King Faisal Scientific Research Centre. The national oncology centre is expected to be operational by 2017.
- A long-term care health centre Muharraq to provide healthcare services for long stay patients. The centre has a capacity of 100 beds, and it is expected to be completed by 2017.
- A 120-bed Maternity Hospital in A'ali is expected to be completed by 2018.
- A National Diabetes Centre in Muharraq in order to provide specialised medical care for diabetes patients. The centre is expected to be completed by 2017.
- A Dialysis Centre in Riffa to accommodate 60 inpatients with chronic kidney disease. This centre is expected to be completed by 2017.
- Four additional health centres across the Kingdom.
- An addiction rehabilitation centre.
- Existing hospitals and medical centres will also be upgraded to improve the quality of health care offered across Bahrain.
- A 150-bed general hospital in the Southern Governorate is scheduled for completion by 2018.



Enhance recruitment, training and retention of health professionals

The National Health Regulatory Authority will ensure that Continuous Medical Education (CME) requirements are met as part of the health professionals licensing process. In line with such licensing requirements, the Supreme Council for Health will collaborate with medical education institutions to train healthcare professionals. In particular, the Government will work to increase opportunities for Bahrainis within the healthcare sector, investing in training programmes for nursing and medicine.

Begin development of an integrated national health insurance system

The Government has begun building the foundations required for an integrated health insurance system, which will be introduced in three phases. The first phase, which will be completed by 2015, aims to develop the strategic foundations of the Integrated National Health insurance system.

A comprehensive study will be conducted on the national health accounts in order to consolidate health service fees and tariffs to determine the health insurance system's charges, as well as to determine the value of individual health insurance plans, the range of basic health services, and other optional services.

The Government will also develop an appropriate IT solution to integrate the national health information systems with the new insurance system. Additionally, new laws, regulations and procedures will be drafted in order to start implementation of the National Health Insurance system.

In light of the findings of the first phase, detailed working plans for the next phases will be determined. This includes establishing a health insurance fund, and gradually applying the system to all health-related sectors and social groups.

Improve emergency care at existing Government hospitals

The Government will improve emergency care services at Government hospitals by providing training programmes for medical care personnel.

The Government will also develop a National Central Ambulatory Network integrating all emergency departments at Salmaniya Medical Complex, Bahrain Defence Force Hospital and King Hamad University Hospital, in order to ensure more coordinated and accessible ambulatory services in the Kingdom.

Implementation of this project requires the provision of ambulances that meet international standards in all Government hospitals and the establishment of ambulatory centres in each governorate to ensure proximity.

Strengthen the regulatory and supervisory framework of the health sector

The National Health Regulatory Authority will review existing laws that regulate healthcare professionals and facilities along with pharmaceuticals, with a particular focus on licensing and improved supervision. The Government will also review the relevant legislation required to facilitate private sector investment in the health sector (see *Priority 3.6: Achieve genuine diversification*).

The institutional capacity of the National Health Regulatory Authority will also be enhanced through additional budget expenditures, to be used on additional staff recruitment and training over the next four years.





Priority 2.2:
Affordable, quality housing for those in need

Access to quality affordable housing is essential for a happy and productive society. As such, the Constitution recognises the duty of the Government to provide housing for citizens with limited income. In order to meet this directive, the government has created several schemes to provide housing and home financing to low income families that may struggle to acquire adequate housing independently.

However, the Kingdom's rapid population growth over the past decade has made it difficult to meet mounting demand in a timely manner despite a substantial housing budget. As of 2013, the number of applicants on waiting lists exceeded 50,000, with approximately 4,000 new eligible applications being submitted annually. Project spending by the Ministry of Housing over the past two years was in excess of BD 330mn.

Under the instructions of His Majesty the King , the Government has created an ambitious plan to build over 40,000 houses over the next eight years with the goal of reducing the average waiting time for eligible housing applicants from twelve years at present to five years by 2018. To meet this target, BD 796mn will be allocated to housing from the GCC Development Programme, while an additional BD 220mn will be provided by the Government and through other financial arrangements such as public-private partnerships (PPP).

To guide its efforts to meet the housing needs of the citizens, the Government will produce a new housing policy strategy which will review the Kingdom's model of social housing eligibility, procurement and delivery.

The Government will prioritise the following specific initiatives to meet these objectives:

Develop a national housing policy

The Government will develop a comprehensive national housing policy which will clearly identify the eligibility criteria for all housing services, type and number of housing units to be provided every year by both public and private sectors and financing options that will be made available to either buy or build units.

Reduce the average waiting time for eligible housing applicants by 2018 to

5 years

Develop and deliver new housing units, apartments and residential plots

The Government will continue to support eligible citizens with the provision of housing units, apartments and residential land plots. In order to implement the first phase of the 40,000 housing-unit project ordered by His Majesty the King, the Government will develop 24,983 housing units over the next four years in four Governorates, including:

- 6,953 units in residential complexes
- 5,581 units in the Northern Governorate
- 3,720 units in Al Ramli residential project
- 1,560 units in Riyadh Askar and Bar AlDor residential project
- 1,000 units in the Southern Governorate
- 2,999 units in East of Hidd residential project
- 720 units in Buhair residential project

Increase private sector involvement in affordable housing development

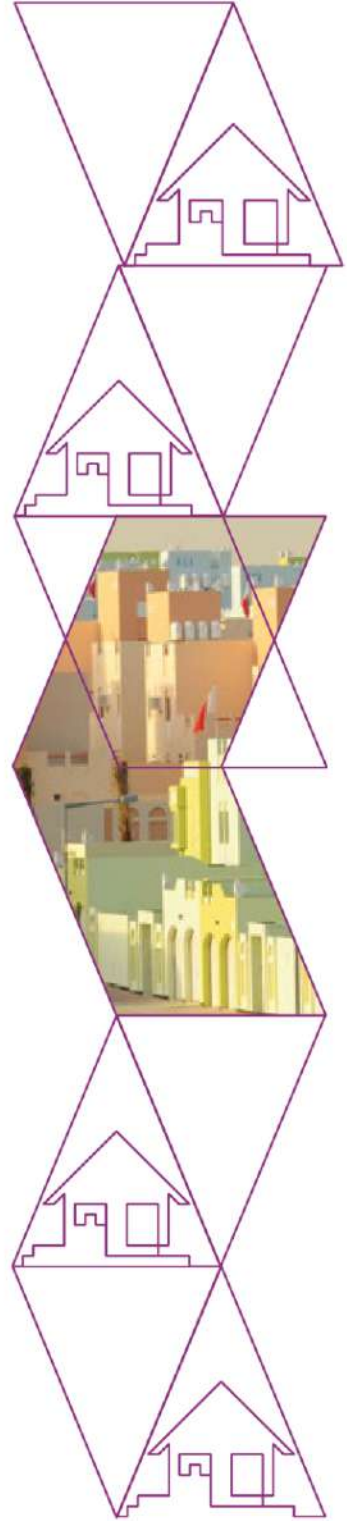
The Government will increase private sector involvement in sourcing housing for citizens by implementing various Private-Public-Partnerships, including the development of 1,618 housing units in the Northern City and 832 units in Al Lozi residential project, as well as leveraging private sector developments by procuring housing units directly from the private sector in the Northern Governorate and Muharraq. These arrangements are designed to accelerate the completion of new housing units of a high standard. The Government will work with the private sector to ensure that new and effective technologies, such as space-saving vertical construction techniques and designs are incorporated into these developments.

Improve access to housing finance for citizens

As part of its effort to ease mortgage financing for citizens, the Government will finalise and introduce a social housing financing scheme which allows citizens that are currently on the Ministry of Housing's waiting list to obtain a mortgage from financial institutions to purchase private sector housing units with reduced mortgage repayment and financing costs.

Moreover, in order to facilitate affordable housing solutions through competitively priced mortgages, the Government will review and update all the required legislations and regulations to develop and regulate the Mortgage Guarantee System.

Furthermore, Eskan Bank seeks to encourage the private sector's involvement in addressing the Kingdom's housing needs. In this respect, the Bank has structured innovative financial packages and programmes such as Bahrain Property Musharaka Trust as well as initiatives that involve working with private sector landowners through joint ventures to develop social and affordable housing units.



Priority 2.3: Well educated Bahrainis

The Kingdom's education system has undergone substantial reform over the last decade with many initiatives modelled on international best practice. This ongoing reform programme builds on, and extends, the Government's initial focus on improving access to, and the availability of, educational opportunities across the Kingdom. As the earlier reforms have become embedded, the emphasis has shifted towards the quality of Bahrain's education system, the level of qualifications that students are achieving and the application to the needs of the labour market. This change of emphasis stems from the recognition that Bahrain's future economic and social well-being is critically linked to the development of its human capital. Achieving higher standards of excellence through education and training are the key to achieving this.

As part of the process of education reform, clear roadmaps for continued progress in schools, higher education and the broader area of employability have been developed. These roadmaps, or agendas as they are known, build upon the successful foundations laid by past reforms and seek to ensure that the students coming through the education and training system are as well prepared as possible for the next phase of their life, be it in education, employment or professional training. These agendas also recognise that learning must be encouraged as a life-long process, not something that happens at a single stage in life.

Raising standards across the system is at the heart of Bahrain's strategy. The National Authority for Qualifications and Quality Assurance of Education and Training (NAQQAET) will continue to review and report on schools, training providers and universities. These reports will be used by the licensing authorities in determining which institutions and programmes receive accreditation. In addition, the National Qualifications Framework (NQF), will ensure that all qualifications offered are of a consistent quality and standard.

In order for Bahrain's schooling system to compete with the best in global education, leaders will focus on achieving high quality outcomes and implementing rigorous quality management procedures to ensure them. Above all there will be a focus on improving the quality of teaching and learning. Implementing strategies for the improvement of Literacy, Numeracy, ICT and other key skills such as problem solving and critical thinking will ensure that young people acquire the attributes of successful learners.

Central to improving Higher Education is the need to ensure that universities, both public and private, are regulated in a clear, transparent and progressive manner. It is important that not only are Bahraini graduates highly employable, but that the sector as a whole makes a strong contribution to the economy through research and development efforts and by acting as a regional hub for educational excellence.

Improving educational performance is not simply a matter of getting more students into university. Rather, it depends on ensuring that every student acquires the qualifications and training that are best suited to their abilities. Balancing the supply and demand between education (the qualifications and skills the students achieve) and the actual needs of the economy lies at the heart of the Government's Employability Agenda. To meet the demand, young people need to have the knowledge, skills and attitudes to work within an increasingly diverse and dynamic economy. New curricula aligned to industrial standards and the growing and changing needs of the economy will also serve to improve student outcomes, promote innovation and entrepreneurship and, more importantly, ensure that future trainees and graduates are in demand in the labour market.

In order to ensure that Bahrain achieves the goals highlighted within the School, Higher Education and Employability Agenda, there will need to be a high level of collaboration and co-operation between stakeholders. Understanding the individual contribution that each entity will make towards the delivery of this national priority is central to the success of this four-year National Development Strategy.

Raise standards of schools

Results from QAA's School Review Unit indicate that there is a pressing need to improve the level of performance within schools, especially the performance of boys' schools. However, despite these results, the majority of students in full time education post-school go to university (currently around 80%) rather than joining vocational institutes or directly entering the labour market. In order to address this, the results obtained by students in the public school system will more accurately reflect actual performance by including a percentage of the NAQQAET examinations as part of the Ministry of Education school results. The School improvement programme will focus on the methods of delivering core subjects, and this, added to improved teaching and learning strategies, will ensure the achievement gap between Bahrain and OECD countries is reduced.

Modernise the national curriculum for schools

The Ministry of Education will improve the national curriculum for schools by focusing upon student outcomes at all levels, incorporating skills such as critical thinking, problem solving, creativity and the softer skills of team work and independent learning. New approaches to learning in mathematics will develop mental skills and problem solving in a technology-rich curriculum. English and Arabic literacy strategies will focus on the key skills of reading, writing, speaking and listening. As a result of increasing the length of the school day in all primary schools from 2015, both numeracy and English and Arabic literacy will receive a minimum of one hour's instruction every day.

To ensure that vocational qualifications offered in technical schools are relevant to both commercial and industrial needs and demands, the Ministry of Education will ensure that all subjects in the curriculum incorporate approved occupational standards (see *Priority 3.1: Ensure growth for the benefit of all*). Furthermore, technical school programmes will be clearly aligned to programmes in further and higher education to ensure clear progression for students after graduation.

Improve the quality of teaching, leadership and management

In order to build on the successes of the first phase of the school improvement programme, the Ministry of Education will improve teacher recruitment and performance at the Bahrain Teachers' College and implement the approved teaching and learning academies for all teachers, remodel the teachers' cadre into a performance based system and rigorously implement the teachers' performance management system. Central to raising standards in schools is the need to improve school leadership and management. Policies on the appointment, induction, professional development and management of principals will

ensure greater consistency and stability in schools and ensure a focus upon continuous improvement. Talent management programmes for rising stars will ensure that a healthy pipeline of the next generation's high performing leaders is in place.

Expand the size and quality of schools across Bahrain

Over the next four years, many new schools will be built to meet the needs of a growing population and increased levels of participation in education at the primary, intermediate and secondary schooling levels. The Government will not only improve educational infrastructure through building new schools, but will also upgrade and improve IT facilities to ensure better access to education services at both new and existing schools

Raise standards of higher education institutions

In order to raise standards and reduce drop out rates at universities, it is important to raise entry level standards for bachelor degree programmes. At the University of Bahrain, pre-degree foundation programmes will be introduced for school leavers who do not have the necessary knowledge and skills to embark upon international standard degree programmes.

In addition, rigorous minimum entry level criteria for private higher education institutions will be established.

At the same time there will be a greater focus on implementing quality improvements in higher education institutions through the development of rigorous licensing and accreditation standards. These will be informed and reinforced by the ongoing institutional reviews by the NAQQAET and the implementation of the National Qualifications Framework. The HEC will specify and ensure regular collection and publication of data sets to inform students' choices of institutions and courses.

Improve relevance, quality and consistency of qualifications

The Government will ensure that the education system meets Bahrain's economic and social development needs by qualifying Bahrainis for fulfilling and productive employment. In order for this to happen Bahrainis' qualifications need to be relevant to industrial and economic needs and consistent with the standards defined for all similar level qualifications both locally and internationally.

The national occupational standards project currently under development by the Ministry of Labour defines the occupational competencies required for each vocational skill level. Through the assimilation of these occupational standards, qualifications and

new curricula will have greater relevance which in turn will make graduates more work-ready.

In order to ensure that the qualifications offered by institutions in Bahrain are equivalent in both standard and quality to other qualifications awarded locally and internationally, from 2015, it will be mandatory for all new qualifications to be placed on the National Qualifications Framework prior to accreditation. This framework is fully aligned to the European Qualifications Framework. Thus a qualification awarded in Bahrain will be internationally recognised.

Promoting quality and growth in the private education sector

Bahrain's private education sector is thriving, driven by strong demand from both nationals and expatriates. However, the outcomes from NAQQAET reviews of kindergartens, schools and higher education institutes have identified up to 50% of the provision to be inadequate. In order to attract new schools and institutions to the Kingdom, the regulatory bodies need to collaborate with NAQQAET to ensure that individual institutions meet rigorous, time-limited improvement targets. Furthermore, new qualifications and programmes will only be accredited if they meet rigorous quality criteria (through the qualifications framework), meet an identified need within the economy and do not duplicate existing provision. A regulatory framework that focuses on performance improvements to Bahrain's schools, kindergartens and higher education institutions will be implemented. Having effective and equitable regulatory arrangements in place will be dependent on revising the organisational structure and building the capacity and capability of the staff of the Ministry of Education and Higher Education Council to ensure they are capable and qualified to undertake their roles.

Promote research in the Kingdom

The Higher Education Council will start implementing a national research strategy in 2015 to integrate research into Bahrain's higher education institutions, set a framework for research funding and evaluation and strengthen innovation.

Develop a sustainable funding framework for higher education institutions

Through a coordinated effort by the Ministry of Finance, the Higher Education Council and the Ministry of Education, a comprehensive and strategic funding arrangement for all public higher education institutions will be introduced. A policy-driven funding framework that meets national priorities will result in improved outcomes in terms of programmes offered and qualifications attained.





Priority 2.4:
Sustainable development of the social safety net

In the spirit of its obligation to protect every citizen, the Government recognises that providing effective social services is essential for social cohesion and the development of the Kingdom as a whole. Bahrain's ambition to create a fair and prosperous society based on genuine quality of opportunity must go hand in hand with efforts to protect those most in need.

In the Social Welfare Law, the Government has explicitly identified several groups who are entitled to particular support and protection. These groups include families; women who are widowed, divorced or abandoned by their husbands; families of the incarcerated; unmarried women; orphans; persons with disabilities; those unable to work; the elderly; and victims of crime. Through various schemes and programmes, the Government supported 16,186 beneficiaries of social assistance in 2013, spending a total of BD 26mn. Allowances for persons with disabilities reached 9,065 individuals with a total spend of BD 10mn.

In addition to the groups reviewed above, the Government offers financial support to families with limited income. The anti-inflation programme was initiated in 2009 to help low-income Bahraini families cope with increasing living costs. As of 2014, 115,000 families have benefited from this programme, which had an aggregate budget of BD 105mn.

Alongside direct financial assistance, the Government will continue to improve the quality of its programmes by conducting impact assessments of services provided on a regular basis. Additionally, facilities and physical infrastructure will be refurbished and expanded to meet the demands of a growing population. The Government will help those most in need through centres which offer shelter from abuse, rehabilitation services, and programmes which enable the disadvantaged to participate in the labour force and become more self-sufficient. Several new specialist facilities with this aim will be built over the next four years. The Government will also cooperate with non-government organisations to improve citizens' access to social services, while monitoring the quality of services provided.

The following specific initiatives will be prioritised to achieve these objectives:

Develop and implement appropriate social policies and strategies

The Government will review, develop and implement social policies that ensure social welfare programmes target the individuals most in need. In order to ensure the effectiveness of these programmes, the Government will conduct "Quality of Life" tests for beneficiaries of social programmes to measure the impact and effectiveness of social services provided by the Government. The Government will also develop a coordinated strategy which uses the assessments of its services to improve the social welfare system as a whole.

Beneficiaries of
social assistance
in 2013

16,186



The Government will also implement specific national strategic action plans for the elderly, persons with disabilities, and for children. Additionally the Government will improve its operational efficiency by establishing a national social services information technology system which will integrate services from all relevant entities.

Enhance the legislative framework to further improve the social safety net

The Government will further enhance the laws and legislation governing social welfare provision by:

- Ensuring that the regulations relevant to the Child Protection Law are issued.
- Ensuring that the law on protection against domestic violence is issued.
- Developing the regulations and licensing requirements for family counselling offices.
- Monitoring of the implementation of the International Convention for Persons with Disabilities, ensuring that the new law for the care and rehabilitation of persons with disabilities is developed in line with the Convention, and developing other necessary legislations.
- Implementing the regulations relevant to the Elderly Rights Law, and providing broader access to benefits.
- Reviewing and updating the legislative, regulatory and administrative framework of nursery care providers to enhance the quality of services provided for infants and nursery children.
- Developing law No. 21 for the year 1989 regarding non-government organisations and issuing a new law for societies, social and cultural clubs and other private organisations.

Implement programmes to support family stability and cohesion

The Government will strengthen the role of its family counselling offices by hiring and training specialists. The Government will also raise awareness of family issues and the importance of stable and cohesive family environments.

The family counselling offices will also collaborate with the Family Reconciliation Office to resolve family conflicts, marital disputes and provide psychological and mental care for children of divorce.

Provide care to children experiencing domestic violence and neglect

The Government will establish a centre within the Social Care Complex which provides social, educational, and health services for children experiencing domestic violence, abuse and neglect. The Government will also provide intensive training courses for the personnel working in existing child protection centres.

The Government will also enhance the foster care programme and the services provided by the family counselling offices. The Government will focus on recruiting and training specialists in these offices, in order to help the children to adjust, integrate and acclimate into their new environments. The Government will also continue to provide awareness programmes to encourage families to foster children exposed to domestic violence and neglect.

Improve the regulatory framework for preschool centres and nurseries

The Government will conduct periodical evaluations of nurseries as part of its monitoring and evaluation programme. The Government will also provide intensive training courses for nursery care providers and develop guidelines, procedures, regulations, and legislation to enhance the quality of services provided for infants and nursery children.

Develop social and rehabilitation services for persons with disabilities

The Government will operate Abdulla Kanoo Diagnosis and Disability Evaluation Centre and recruit the required medical, technical and professional staff, in order to provide social and rehabilitation services for persons with disabilities. Moreover, the Government will complete the establishment of the Comprehensive Disability Complex by building several rehabilitation centres for persons with disabilities. The complex will include a multi-disability care centre, an autism centre, an autism school, a brain damage centre, a health club, a learning and training centre, and a centre to market products made by the disabled.

The Government will also work towards improving the participation rate of persons with disabilities in the labour market through the Disabled Services Centre "Lasta Wahdak" and through partnerships with the private sector. In particular, the Government will increase the training programmes available to equip disabled job seekers with the necessary skills required to enter the labour market, as well as assisting them in finding employment opportunities.

Furthermore, the Government will improve the accessibility of public spaces and facilities by adhering to the standards and requirements for the accessibility of individuals with disabilities (as seen in *Priority 1.4: Promotion of human rights and social cohesion*).

The Government will expand its community partnership programme to manage and operate rehabilitation centres for persons with disabilities.

Improve service provision to the elderly

Through its community partnership programme, the Government will promote services provided to the elderly through the expansion of centres for elderly care. The Government will also develop day-care centres which aim to ensure that the elderly remain integrated within the community.

Moreover, geriatric specialists will be recruited and retained to cater to the health needs of the elderly. The Government will also establish a programme to utilise the skills and expertise of retired professionals in all areas, in order to enhance the provision of social and development services.

Provide care to families and individuals exposed to violence and human trafficking

The Government will increase the capacity of Dar Al-Aman Home, improve the services provided for women who are victims of trafficking and domestic violence, and conduct workshops focusing on the rehabilitation, recovery, and reintegration of such victims.

Additionally, the Government will establish a centre to protect, care for, and rehabilitate foreign men who are victims of trafficking. This centre will be established in the new social welfare complex.

Support and cooperate with civil societies to provide social services

The Government will work closely with civil societies through the community partnership programme. The Government will support civil societies with funding and supervision to ensure quality of services, while civil societies will manage operations and provide education, activities, counselling and legal services to groups in need. Civil societies will support the disabled, youth, women and the elderly.

The Government is also committed to providing funding for private institutions to provide free training and education for the disabled, and will increase financial support to fund operational costs.

To support civil organisations in its volunteer work, the Government will provide training and consultational services and conduct institutional assessments, as well as develop financial and administrative guidelines for non-governmental organisations through the National Centre for NGO Support.

The Government will also further develop its grant programme by encouraging profit-organisations and private institutions to contribute to the National Social Action Fund in order to strengthen the partnership between the private sector, the Government and civil society. The Government will continue to organise an annual conference covering different topics each year to stimulate dialogue between NGOs and the Government.

Improve accessibility to social services by developing more social centres

The Government will build, equip and operate new social centres including the Princess Sabeeka bint Ibrahim Al-Khalifa Comprehensive Social Centre in Al-Hunainiyah, and the Busaiteen Social Centre. The Government will also refurbish the Isa Town Community Centre which includes rehabilitation centres, an elderly care centre, a community centre, and a nursery.

Develop programmes to reintegrate the unemployed into the workforce

The Government will continue to support the unemployed by providing training funded by the unemployment insurance scheme. The scheme is financed by contributions from both workers and employers amounting to 3% of wages paid. The scheme will focus on reintegrating the unemployed into the workforce by offering programmes for job-seekers, school pupils, recent graduates and those wishing to change jobs. Skill-building and work ethics will be emphasised, and programmes will focus on areas in particularly high demand.

Enhance social investment programmes to promote self-sufficiency

As part of the Productive Families Programme, the Government will expand the “Khutwa” Programme for home-based businesses - a programme which aims to enable Bahrainis to participate in the economy. The programme finds job opportunities for young people, the unemployed, women, the elderly and the disabled. The Government will increase the capacity of the “Khutwa” Programme in order to enable more families to start microbusinesses and improve their household income.

The Government will also train family members in social centres in order to prepare them with the skills required to operate home-based businesses and to join the labour market. Additionally, the Government will increase the number of available centres to exhibit and sell the products of participating families across all governorates.

Furthermore, the Government will implement the second phase of the “Inma’a” Initiative, in order to rehabilitate and train recipients of social assistance and promote self-sufficiency. The Government will develop and train specialists in order to ensure the successful implementation of “Inma’a”.

Through the Award for Productive Arab Families presented by Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa, the Government will continue to encourage families to start up competitive home-based businesses.

Increase the capital of Family Bank

The Government will increase the capital of Family Bank by partnering with local and regional banks in order to provide micro-financing schemes to individuals, groups, institutions, and non-profit organisations, as well as to support the productive families of the “Khutwa” Programme for home-based businesses.

Provide budget support for the National Social Fund

The Government will sponsor and finance a range of projects that benefit children, the elderly and persons with disabilities through the National Social Fund.



Priority 2.5:

Enhancing women's social and economic contributions

The priorities and initiatives indicated in this strategy aspires to further advance the status of Bahraini women across all levels. In the coming four years, the focus will shift towards the independent advancement of women, which will be achieved through providing services and programmes that enable women's independence. The Government will work closely with the Supreme Council for Women to provide several socio-economic, educational and training programmes that enable Bahraini women to advance and prosper in an independent manner. Such programmes are cross-cutting and multi-sectoral, and specific initiatives can be found in the sections of this documents which address family stability, equal opportunities in public and private sectors, and lifelong learning.

Since its establishment on the 22nd of August, 2001, the Supreme Council for Women has been dedicated to enhancing the living standards of women, safeguarding their rights, and strengthening their role in society. The Council has recently developed the National Plan for the Advancement of Bahraini Women 2013-2022, addressing cross cutting and multi-sectoral issues with the aim of mainstreaming and integrating women's needs in development programmes. Bahraini women of all categories, age groups and social levels represent the target of the National Plan, which has been formulated to support their needs, enable them to obtain equal opportunities, and empower them to become prominent figures in society and productive partners in the economy.

To increase the economic contribution of women, the Government will continue to press for equal opportunities for women across both public and private sectors, in all industries. The Council will continue its efforts to empower women to fully contribute to the workforce across multiple roles, including as business women. The Government will also encourage arrangements such as part-time, flexi-time, and working from home policies to encourage workforce participation among Bahraini women (as seen in *Priority 3.1: Ensure growth for the benefit of all*).

From a social perspective, the Supreme Council will continue to ensure equal rights for women and protect against discrimination or mistreatment of women at home or in the workplace with the end goal of a dignified life for all women. Special attention will be devoted to supporting women who have experienced divorce to achieve a sense of well-being and stability in their lives.

To achieve these goals, the following initiatives will be prioritised:

Ensuring the successful implementation of the National Plan for the Advancement of Bahraini Women

The Supreme Council will also develop work plans, identify priorities and coordinate with relevant entities to ensure the successful implementation of the National Plan for the Advancement of Bahraini Women 2013-2022.

Ensure continuous evaluation and improvement of the status of Bahraini women

The Supreme Council for Women is responsible for developing a comprehensive framework to evaluate and improve international indices and rankings regarding women. In the coming four years, the Council will enhance data and information collection processes in order to continuously improve the relevant plans of action.



**Priority 2.6:
Innovative and healthy youth prepared for leadership**

Preparing young Bahrainis to contribute to society is one of the Kingdom's most critical development challenges. Through a range of programmes and initiatives, the Government will encourage young Bahrainis to embrace a healthy lifestyle, develop social and leadership skills and be proud of their national identity. A key focus will be expanding and upgrading the infrastructure of youth clubs and facilities offering physical exercise and sports.

In order to promote these programmes and facilities, the Government will work to educate parents and young people about the importance of an active and healthy life. Techniques that have delivered results in other countries in engaging young people will be tested and, where successful, expanded in the Kingdom. This includes mechanisms such as actively involving the youth in the administration of centres and engaging with them on problem solving so as to instil a sense of ownership by Bahrain's young people of their own development.

To achieve these goals, the following initiatives will be prioritised:

Enhance the sense of national identity and belonging among Bahraini youth

The Government will develop appropriate policies, activities and programmes to advocate national belonging and raise awareness of the Kingdom's national and Islamic cultural identity among the Kingdom's youth.

Moreover, a new social centre will be developed to rehabilitate young offenders through education and training. The Government will also address issues of youth violence and crime, and encourage parents and families to play active and positive roles to foster healthy youth development.

Upgrade sports clubs and facilities serving young people

The Government will ensure that an adequate range of sports facilities are made available and accessible to youth by investing in new sports facilities and by upgrading existing infrastructure in existing facilities. To ensure a sustainable funding model, the Government will also work towards enhancing and diversifying Sport Clubs' income along with Youth Centre funding throughout the Kingdom's Governorates.

Expansion of children and youth clubs

The Government will support the development of children and youth, safeguard their rights and protect them from violence and homelessness through the establishment of children and youth clubs in Social Centres across all governorates in the Kingdom.

The Government will also expand the services and programmes provided by children and youth clubs in order to reach more beneficiaries, and to foster an interest in creativity within children and youth.

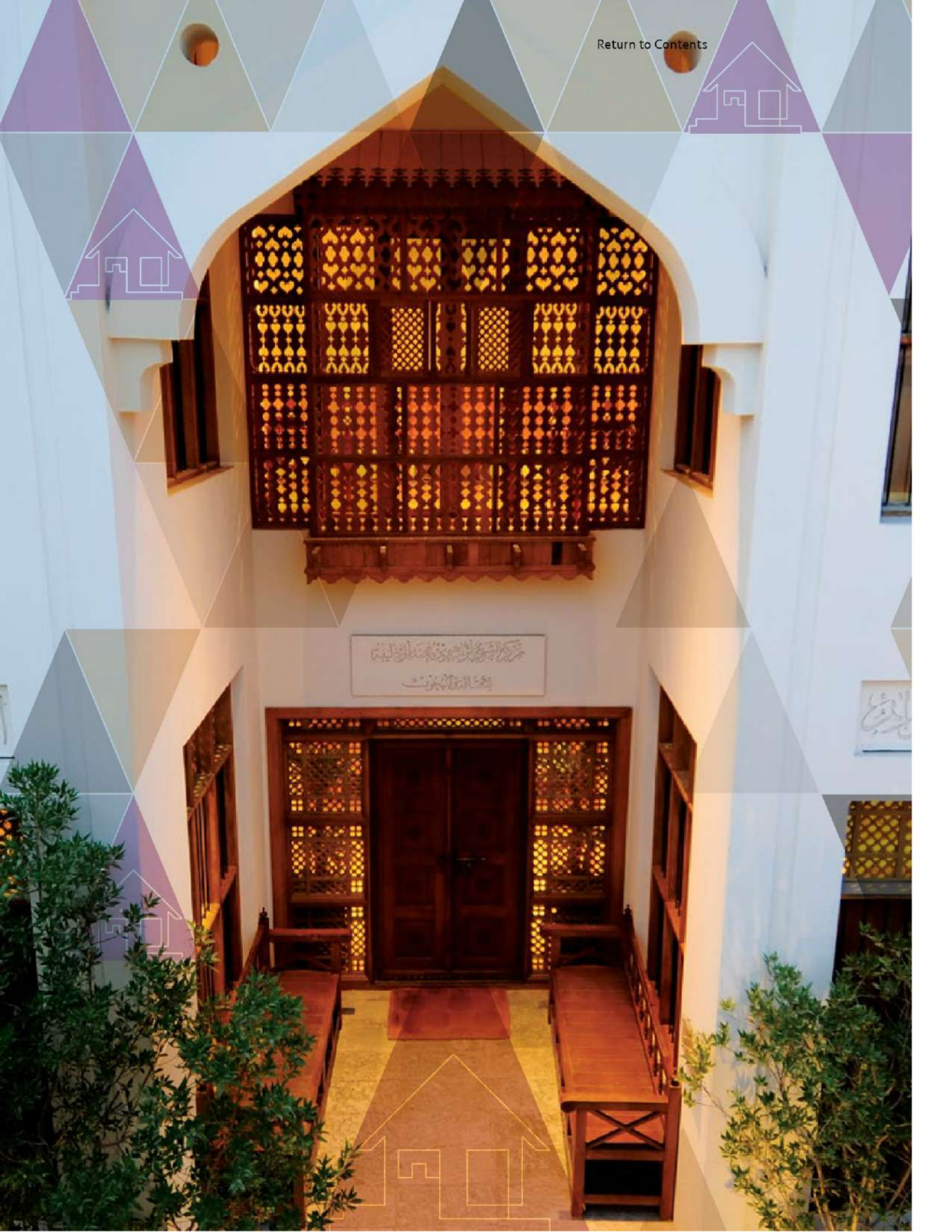
The Government will also improve the operational capacity of the children and youth facilities in social development centres across all governorates.

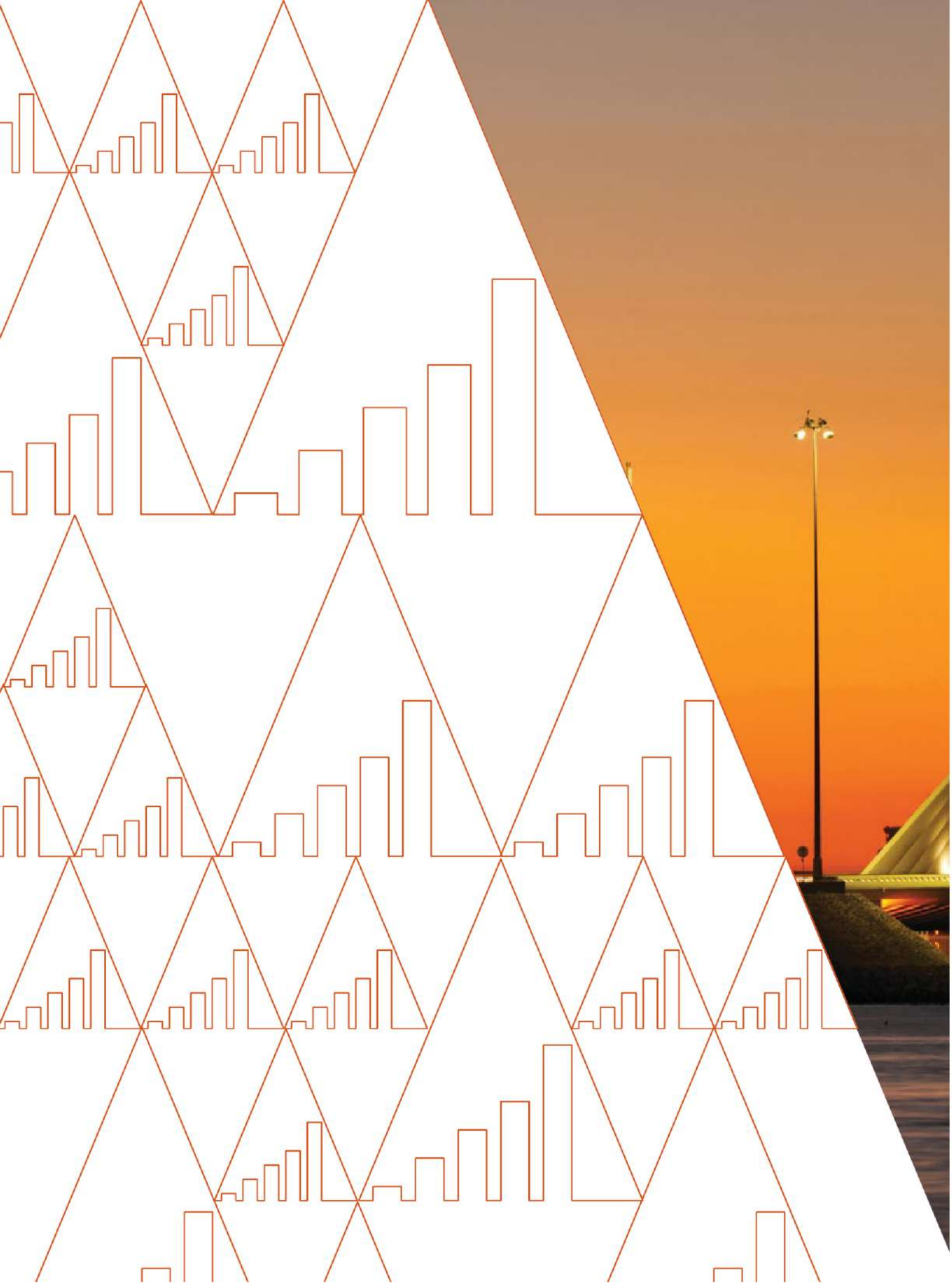
Develop leadership and creativity skills among Bahraini youth

The Government will introduce a variety of programmes that equip the Kingdom's youth with the knowledge, experience and skills in areas such as leadership, innovation, sports and employability.

Develop awareness programmes that target key issues affecting youth

The Government will continue to pursue awareness programmes to target key issues that affect young people, including the dangers of substance abuse.









National Strategic
Priority 3:
**Achieve sustainable
quality growth**

Achieve sustainable quality growth

3

Current situation

Resource driven



Low productivity jobs



Importer of knowledge and capital



+

Policy tools

Enabling environment



Human capital



Openness



Private sector



Innovation



Diversification



=

Desired outcomes

Diversified economy



High quality jobs



Innovative and entrepreneurial economy



The overriding goal of Bahrain's economic policy is to deliver quality growth which is both sustainable and which meaningfully benefits all Bahrainis. The future wellbeing of the nation can only be secured through enduring gains that reflect and capitalise on the economy's competitive advantages while also explicitly recognising the key challenges the country faces. Enabling Bahrain's working-age population to meaningfully participate in economic activity is the best guarantor of inclusive development. To this end, the Government aims to bring about continuous improvement in the quality of jobs and develop ways to include an ever growing share of the working-age population in the workforce as employees or entrepreneurs.

The limited size of Bahrain's domestic market requires the Kingdom to build its competitiveness on a broader proposition – above all, its qualified workforce, regional connectivity and a world class regulatory infrastructure. These drivers are connected: in order to leverage its strong human capital advantage, Bahrain must work consistently to ensure an attractive business climate through quality regulation and connective infrastructure.

Bahrain's success has throughout its history rested on its ability to integrate itself in regional and global investment and trade flows. This strategy recognises that openness is a more critical cornerstone of Bahrain's prosperity than ever before, given today's globalised economy and an increasingly competitive regional environment. It must serve as a source of capital through foreign direct and portfolio investments as well as providing new ideas and knowledge to drive the dynamism of the economy. Openness also entails growth opportunities to Bahrain-based companies through new channels for exports and investment. Tapping into markets beyond the shores of Bahrain represents a transformative growth opportunity for businesses. Such behaviour is also in turn a guarantor of Bahrain's status as a regional hub.

Government policy must aim to eliminate obstacles that could limit Bahrain's ability to benefit from the development opportunities that openness and economic integration can bring. Efforts in this area will be pursued through regulation, infrastructure and diplomatic channels.

Faced with a rapidly evolving global economy and a dynamic competitive environment, Bahrain must leverage its competitive advantages in new and innovative activities offering greater value and deepening its economy knowledge credentials. Achieving this dynamism must be underpinned by a culture of creativity but also the necessary formal infrastructure for research and development. Only by enhancing the Kingdom's ability to engender new ideas can the economy transition from a primarily reactive and transactions-based business culture to one where Bahrain can sustainably establish itself as a source of new products and services.

The ongoing transformation of Bahrain into a truly diverse economy driven by private capital must be guided by the Government in a number of ways. At the most basic level, Government policy must ensure easy access to the key factors of production: capital, land, and qualified labour. Beyond this, the Government must redouble its efforts to support the ongoing revival of Bahrain's long-standing entrepreneurial traditions, through a growing toolkit of measures to enable the creation and growth of innovative companies. Government-related entities must also catalyse transformative change by seeding the initial development of new sectors and industries through targeted co-investments with private, including foreign, capital. Government support to key ventures is also important in terms of boosting confidence and establishing a credible foundation for new activities in the economy.

Efforts to mobilise new sources of capital through new mechanisms promise to lend an important boost to non-oil investment in the coming years. This can be expected to lend a major incentive to economic development in a way that relies only marginally on government spending, thereby boosting further the role of the private sector as a driver of growth. Investments spearheaded by the state holding companies, the private sector, and the GCC Development Fund can be expected to contribute more than USD 22bn in new investment over the coming years. This is more than four times the expected capital spending under the state budget. These commitments will be critical for accelerating non-oil growth in the economy while generating quality employment and driving the ongoing transition away from the oil-government spending nexus.



Priority 3.1: Ensure growth for the benefit of all

Economic development must bring meaningful benefits to all Bahraini citizens. The most effective way of ensuring this is bringing more working-age nationals into high quality employment. Achieving this goal is a complex endeavour that requires the coordination of policies in several areas. Initiatives focusing on education and training (as outlined in *Priority 2.3: Well educated Bahrainis*) are essential to improving the employability of Bahrainis so as to enable them to compete for jobs. Similarly, the creation of attractive employment opportunities is contingent on the growth and development of each individual sector as outlined in *Priority 3.6: Achieve genuine diversification*. But inclusive growth must also be underpinned by the effective matching of Bahrain's increasingly well qualified national labour force and the growing supply of jobs. This is done through improved labour market regulations and a variety of targeted initiatives which aim to increase workforce participation by Bahrainis.

Flexible working arrangements are an important step toward boosting labour force participation. They increase the options for formal employment from the perspective of employers and employees alike. Arrangements such as part-time and flexi-time policies will encourage workforce participation, particularly among Bahraini women, who are underrepresented in the labour market and account for a clear majority of the unemployed. Such flexibility will also allow employers to meet their needs in sectors where market demand is highly variable, for instance concentrated during a short daily peak of activity, e.g. in retail and hotels & restaurants.

Formal mechanisms are needed to match the requirements of employers with the supply of employees possessing the relevant skills and experience. To this end, Bahrain will adopt internationally recognised occupational standards to accurately define skills and occupations. Accurate market intelligence and analysis will be used to enable education providers to respond to market demand. In recognition of the economy's continuous evolution, the Government will work to enable Bahrainis to become more adaptable and flexible by supporting life-long learning.

Quality market information is essential to enable young Bahrainis to make informed decisions about their education and training. In order to boost labour market efficiency, the Government will put in place formal mechanisms for career counselling and regular workplace exposure through internships and apprenticeships. This will shape attitudes through awareness and equip young people with practical experience relevant to the jobs market cooperate with the private sector by offering incentives to improve productivity within companies through focused human capital investment.

The following initiatives over the next four years will be prioritised to achieve these objectives:

Improve Bahraini's access to the labour market

The Government will persist in its efforts to reduce the duration and socio-economic impact of joblessness. The Government will focus on re-training programmes to equip those out of work with skills demanded by the labour market, and will tie unemployment insurance to participation in training (see *Priority 2.4: Sustainable development of the social safety net*).

Moreover, policy packages will be developed in order to support Bahraini employment, with a particular focus on university graduates, in the private sector through wage subsidies.

Tamkeen will expand apprenticeship programmes to introduce more Bahrainis to work opportunities, building upon past experience in areas such as accounting, marketing, warehouse management and aeronautical engineering.

The Government will create a Labour Market Observatory as a centralised information source for decision-makers in the fields of education, training and employment. The Observatory will improve the Government's ability to match the education system and skills training with labour market needs. Moreover, the Observatory will provide intelligence on the labour market which in turn will enable schools to provide careers guidance and counselling for students to help them choose programmes where there is genuine demand in the economy.

To facilitate this, the Government will lead the creation and application of a unified national system for measuring work-related, competence-based qualifications across a range of occupations, modelled on the British National Vocational Qualifications (NVQ) framework (see *Priority 2.3: Well educated Bahrainis*).

Improve labour market regulations to ensure greater labour market flexibility

The Government will continue to monitor and raise work standards and labour rights, ensuring alignment with international standards, such as the International Labour Organization.

The Government will work to reduce the hurdles faced by employers and employees through greater labour market flexibility. Arrangements such as job sharing will be used to encourage part-time and flexi-time employment in sectors and areas where this can boost efficiency.

Bahrain will continue to invest in awareness building to encourage greater participation by underrepresented groups such as women and young people.

The Government will establish a national policy for flexi-time and part-time jobs for women, allowing them to balance work and family life. The Government will also explore other strategies which involve increasing improved access to child care for working mothers, including studying gaps in childcare centres and producing standard quality assurance guidelines for daycare centres, as described in *Priority 2.4: Sustainable development of the social safety net.*

Increase private sector productivity

The Government will continue to equip workplaces with competitive technology to improve work efficiency through regulatory reform and infrastructure investment. Meanwhile, the Government will ensure that Bahrain's workplace practices are competitive in the broader regional and global economy.

The Government will support increased productivity in the private sector through measures that incentivise capital investment. Primary efforts to increase productivity will be to fund business investment in technology and physical capital, as well as incentivise private sector firms to invest in the ongoing development of their employees and provide them with access to training led by Tamkeen and the Ministry of Labour.

Awareness campaigns will also be designed to encourage both the use of such services and the increased investment in human and physical capital by businesses. In this arena, Tamkeen will also work with international partners to expand its productivity initiatives and improve awareness of productivity maximising practices within the private sector and Bahraini workforce.

Scale up life-long training to boost skills and mould attitudes

Government organisations will collaborate to improve productivity-enhancing training for Bahrainis. Tamkeen will continue to review and develop training programmes for nationals, ensuring that they match international quality standards. Specifically, Tamkeen will add new training areas, in particular for management and leadership, and will expand guidance to private sector firms for training interns. Intern training programmes will be increasingly "tailor made", matching training with specific developmental needs. The Government will also expand and raise the quality of existing vocational training programmes to prepare Bahrainis for work.





Priority 3.2:

An enabling environment to deliver sustainable growth

Sustainable economic development must be underpinned by a business environment that continuously evolves to facilitate growth and investment. As Bahrain cannot compete regionally on the size of its domestic market, it must do so through efforts to create a benign climate for investment and entrepreneurship. The Government will work to enhance the competitiveness of Bahrain's economy by regularly reviewing indicators of the business climate and benchmarking performance against other countries. This will be coupled with ongoing efforts to address areas of weakness through interaction with the relevant Government entities. The constant goal is to remove unnecessary regulatory hurdles to businesses while also ensuring sustainable growth by safeguarding market stability and protecting consumers.

Government policy will provide Bahrain-based businesses with easy access to the key factors of production. Apart from the range of initiatives to support enterprise growth, the Government will utilise the resources of Tamkeen and other entities to train nationals for the needs of Bahrain-based companies. Nevertheless, the Government will also continue its liberal policy of labour visas with a view to ensuring that employers are able to meet their evolving labour needs with the maximum flexibility. Land is a scarce resource in Bahrain and the Government, along with other stakeholders, will work to increase the land allocation to productive economic activities by developing targeted facilities as well as through rezoning and reclamation (see *Priority 6.4: Coordinated and effective land use*).

Government holding companies (Mumtalakat, nogaholding) and institutional investors (such as Osool) stand ready to support worthy ventures through capital contributions, albeit in ways that will increasingly partner them with private and foreign investors, where appropriate, through targeted schemes.

An attractive business climate is by definition one that is predictable and stable and enables companies to make long-term decisions. To achieve these conditions, the Government will enhance its capabilities for monitoring and anticipating economic risks while devising ways to mitigate their impact. Apart from its enduring commitment to ensuring macroeconomic and financial stability, the Government will use regulatory powers to control potentially unsustainable behaviour where it is observed. Efforts to curb speculation can prevent bubbles and avoid the misallocation of capital from areas where it can be more effectively used to drive economic development.

Improve the business environment to facilitate growth and investment

The following initiatives over the next four years will be prioritised to achieve these objectives:

Improve the business environment regulatory framework

The Government will ensure that Bahrain's regulatory framework is constantly updated to enable sustained development in all sectors and activities of the economy and increase the ease of doing business in the Kingdom.

- Bahrain will introduce a new competition law in order to achieve the Kingdom's goal of creating a business environment that is attractive to domestic and foreign investment and conducive to innovation and the protection of consumers and businesses from anti-competitive conduct.
- The Government will consolidate and strengthen foreign investor protection by clarifying their rights, creating transparent foreign investment regulations in Bahrain. The Government is currently conducting a review of laws and regulations relevant to foreign investment and will identify required and necessary legislative changes.
- A full review of the current bankruptcy law will ensure that the Bankruptcy and Company Laws are in line with modern and developed legislation benchmarks. Improvements will be introduced as required to meet these standards.
- The Commercial Companies Law is being revised and updated to take into consideration the change in the investment climate in the Kingdom.
- To strengthen the Kingdom's business competitiveness and attractiveness for investment, the relevant Government stakeholders will streamline, simplify and automate the process of obtaining commercial registrations and all associated business licenses.
- The Kingdom's licensing procedures will be standardised and competitive enough for Bahrain to compete as a destination of choice in the region. The regulatory framework will be reviewed on an ongoing basis and will focus, in particular, on areas in which Bahrain currently performs

Monitor performance indices to enhance competitiveness

The Government will track international indices, highlighting areas of improvement and driving reform with relevant stakeholders to improve Bahrain's competitiveness. To facilitate this, it will conduct surveys, review records and perform other data collection activities to develop a system to monitor the relevant international indices.

Mobilise Government resources more effectively to incentivise private investment in priority areas

In recognition of the frequent need for proactive steps to encourage appropriate investment in key areas of opportunity in the face of a dynamic global environment, the Government will develop new opportunities to partner and co-invest with the private sector in order to catalyse the emergence and entry of high quality businesses in key priority areas (see *Priority 4.2: Increase domestic and international capital to fund future growth and development*)

In the interest of driving domestic value creation, Government funds have the ability to boost private sector resources to accelerate change in ways that will create high quality Bahraini jobs, while developing a stronger set of export-oriented goods and services. Government land and companies as well as private banks and other entities can be utilised as part of the package to attract quality investment.

Improve access of resources to investors in priority economic activities

The Government will take steps to ensure that land and labour requirements for investment are met across priority sectors in accordance with the policies outlined in *Priority 3.6: Achieve genuine diversification* and *National Strategic Priority 6: Ensure sustainable development of strategic resources*.

Increase economic risk monitoring

The Government will continue to enhance existing measures to ensure that disproportionate amounts of capital are not diverted from long-term development towards short-term ventures and speculative investments. The Government will continue to monitor the exposure of banks and other financial institutions to cyclically sensitive sectors and will ensure that lending capital follows international best practice.

The Government will further develop its economic modelling and reporting capacity on important risks such as oil price changes, prices in the economy and economic cycles. The Government will also measure the likely impact of potential economic shocks, as well as develop policy options for the event of economic shocks and cyclical volatility.





Priority 3.3:
Openness and attraction of foreign direct investment and knowledge

Openness has always underpinned Bahrain’s development. As a small island economy, its prosperity is critically dependent on its interaction with the rest of the world through the free flow of capital, goods, knowledge and people. Through improvements to its physical and regulatory infrastructure, the Kingdom can transcend the limitations created by the small size of the national market. Openness provides immense economic opportunities by expanding the market facing Bahrain-based companies, boosting trade and attracting capital, knowledge, and skills from other countries.

Private sector growth will be highly dependent on the ability of companies to tap export markets, as outlined in *Priority 3.4: Place the private sector at the forefront of growth*. To this end, the Government will continue its efforts to minimise the hurdles standing in the way of foreign trade and investment. The Government will facilitate trade through regional integration as well as economic treaties with foreign countries and trade blocs, as is also outlined in *Priority 5.1: Expand connectivity through infrastructure* and *Priority 7.8: Effective foreign affairs policies and relations*.

Further GCC integration is central to this strategy. Bahrain’s GCC partners account for the majority of its exports while also providing the vast majority of tourists to Bahrain. Building on the regional legacy of strong and broad-based ties, the Government will strongly support efforts towards a genuine single market for the GCC. The Government will also deepen regional integration through initiatives to increase the consistency between domestic and GCC regulations, as well as improving physical infrastructure connecting Bahrain with its regional neighbours.

Openness is a critically important source of capital for the Kingdom. Foreign direct investment (FDI) has come to account for a significant proportion of overall capital formation in the Kingdom. Similarly, foreign businesses can diversify Bahrain’s economy, drive the influx of new technologies and know-how and generate quality employment for Bahrainis. The presence of foreign companies will increase access to global markets and provide opportunities for local businesses and Bahraini workers to gain exposure to globally recognised business practices. The

Improving the physical and regulatory infrastructure to transcend the limitations created by the small size of the national market

importance of FDI to Bahrain requires an active role by the Government to create a focused FDI strategy which appropriately considers Bahrain's competitive advantages, constraints and development priorities as outlined in *Priority 3.6: Achieve genuine diversification*. Targeted efforts are required to attract foreign investment in areas where it can drive the economic development of the Kingdom. In order to attract quality investment in priority areas, the Government will play an active role to attract priority projects through specific incentives, bespoke solutions and co-investment, as outlined in *Priority 3.2: An enabling environment to deliver sustainable growth*.

In order to support the free movement of goods and human capital, the Government will also focus on simplifying and expediting its administrative processes in areas such as immigration and customs. Apart from general efforts to reduce barriers to entry into the country, particular focus areas include visa policies and clearance times for the transportation of goods.

The Government will prioritise the following specific initiatives to meet these objectives:

Refine Bahrain's foreign direct investment and knowledge attraction strategy

The Government will refine its FDI strategy to ensure it identifies priority sectors and sub-sectors for investment and business attraction. The strategy will include sector analysis which identify segments of the value chain which Bahrain should pursue. Priority sectors will be chosen based on considerations of Bahrain's competitive advantages, its resource constraints, the regional context and the potential impact of investment in the sector on economic growth and high value job creation.

The Government will also base its FDI selection strategy on potential knowledge attraction. Priority will be given to companies and investors who have the potential and willingness to train Bahrainis, and possess high potential for growth stimulation throughout various sectors of the economy.

The Government will also develop a dedicated fund to support its efforts to attract quality FDI through co-investments, where ventures and projects are prioritised based on the Kingdom's FDI strategy and potential returns on Government assets. This creates the basis for committing holdings of national institutional investors to the Fund.

Improve Bahrain's connectivity to regional and international markets

The Government will strive to improve ease of access for both goods and people to encourage investment, trade and knowledge transfer. The Government will work to improve its processes for visa issuance and customs, including modernising systems, reducing paperwork and reducing average visa issuance and customs clearance times.

In parallel, Bahrain's openness will be further enhanced by improvements to Gulf Air which will enhance Bahrain's global connectivity through greater efficiency, improved services, and a national network which provides service to critical markets supporting Bahrain's economic development.

Support GCC integration

The Government will continue to support GCC economic integration through both physical and institutional commitments. Physical investments include the expansion of the King Fahad Causeway and railway integration, as mentioned in *Priority 5.1: Expand connectivity through infrastructure*. The Government will also support further integration and implementation of GCC agreements regarding institutional integration, such as the GCC customs and monetary union, as mentioned in *Priority 7.8: Effective foreign affairs policies and relations*. The Government will strive to meet eligibility criteria requirements for entrance into GCC institutions.

Increase economic cooperation with regional and global economies

The Kingdom will continue to sign and enhance economic agreements to facilitate trade and investment with global economies which have large existing or potential trade and investment volumes. Additionally, the Government will also support economic cooperation and agreements between the GCC and other trade blocs as mentioned in *Priority 7.8: Effective foreign affairs policies and relations*.



**Priority 3.4:
Place the private sector at the forefront of growth**

The expected rapid growth of the Bahraini workforce in the coming years – with an estimated 7,000-8,000 new labour force entrants annually – highlights the magnitude of new job creation required in the Kingdom. Whereas the public sector has historically been an important source of employment, fiscal constraints will significantly limit continued growth in this area, requiring the private sector to assume a much larger role in creating job opportunities. The private sector will also have to be at the forefront of the continued diversification of the Bahraini economy.

As the Government redefines its role in the economy, it must focus more of its effort on enabling the private sector to drive economic development. A central element in this regard is the creation of an attractive and effective environment with easy access to capital, labour, and land (as discussed under *Priority 3.2 An environment to deliver sustainable growth*). Established private and family businesses can benefit from mechanisms such as corporatisation and listing on the stock market. Interested companies can leverage these mechanisms to boost governance and continuity while lowering their cost of capital.

While Bahrain requires an attractive operating climate for the private sector as a whole, the needs of small and medium sized companies (SMEs) must be a particular focus of policy. Numerically, SMEs dominate the enterprise landscape in the Kingdom. As suggested by their dominant role in advanced economies, they are characterised by significant potential for expansion which in turn will drive the diversification of the economy.

The Government will work to develop and better coordinate its support mechanisms for SMEs and entrepreneurs at all levels. Awareness building and entrepreneurship training will be used to encourage new company creation. The Government will support SMEs through advisory services as well as a comprehensive range of funding solutions so as to reduce the initial hurdles and risks associated with starting a new business. These will include grants, subsidised and guaranteed loans, as well as equity participation. The Government will also expand its business incubator facilities which offer technical and management services to small businesses, as well as offer affordable office space and equipment.

Enabling SME growth must be a central goal of government policy as company size tends to be positively associated with quality job creation, innovation and exports. As tapping new markets is a particularly effective growth driver, the Government will work to enable SMEs to export their products and services. Government assistance will include market intelligence, logistical support, as well as marketing support services for the specifics of various target markets. Furthermore, the Government will offer services which aim to showcase the products and services of Bahraini SMEs through exhibitions.

The Government will prioritise the following specific initiatives to meet these objectives:

Instil an enterprising mindset starting from a young age

The Government will enhance entrepreneurship training programmes and expand specialised support services across the kingdom. Of key importance, schools and universities will offer more courses in entrepreneurship. Student awareness of benefits derived from starting companies will be increased, technical education such as business plan writing will be available and assistance in becoming beneficiaries of various entrepreneurial support systems should be enhanced. Bahrain Development Bank will enhance awareness and training programmes for school-aged children and promote role models for entrepreneurs.

Across all Governorates, Tamkeen will introduce and expand programmes that teach Bahraini youth about entrepreneurship, such as the Intelaaq Student Business Consultancy, Mashroo3i, the Youth Talent Development Programme, the Next Door Entrepreneur programme, INJAZ Bahrain and Ajyal. Tamkeen will expand its offerings of workshops and its business plan competition for youth, and will further partner with local educational institutions to increase access to Tamkeen programmes. Tamkeen will also cooperate with UNIDO on a programme, which will review the curriculum of public schools and create a pilot project, which aims to improve the enterprising attitudes among students.

Support Small and Medium Enterprises (SMEs) growth through entrepreneurship training and resources

A wide range of entrepreneurship training programmes are currently provided through joint efforts by the Ministry of Industry and Commerce, the Bahrain Development Bank and Tamkeen. Bahrain Development Bank will develop and enhance the scope and range of its entrepreneurship training and business advisory programmes in collaboration with the Ministry of Industry and Commerce when



appropriate. In parallel, Tamkeen will enhance its entrepreneurship training and development programmes aimed at enabling and encouraging Bahraini entrepreneurs. Those include activities to disseminate an entrepreneurial culture in schools, entrepreneur networking events, workshops for entrepreneurs and potential start-ups, in addition to annual business plan competition awards.

The Ministry of Industry and Commerce will also establish an online eSource portal in cooperation with the Bahrain Development Bank to support and promote the growth and development of the private sector. Resources will include action plans, marketing and export resources, use of technology, funding and accounting.

Enhance entrepreneurship access to capital

Entrepreneurship grants and venture capital funds will be expanded and a framework to support angel investments will be introduced. The Government will create a second-tier stock offering, which in turn would provide smaller companies easy access to funds (as seen in *Priority 4.2: Increase domestic and international capital to fund future growth and development*).

Bahrain Development Bank (BDB) will enter into equity partnerships with start-ups and growing SMEs. The Bank will expand and introduce new funds targeting innovative companies. Additionally, the Government will increase the capital available to the BDB.

In addition, Tamkeen will expand its Enterprise Support Fund, which provides assistance to distressed enterprises. Additionally, Tamkeen will provide guarantees to banks for loans to entrepreneurs, as well as subsidising a substantial part of interest payments to encourage lending to growing SMEs.

Support the expansion of business incubators

Bahrain Polytechnic, the University of Bahrain and other organisations such as the Bahrain Development Bank's Business Incubator Centre will continue to support and nurture new companies by providing management guidance and technical assistance.

Furthermore, Bahrain Development Bank will expand its business incubators in each governorate, while offering awareness and training programmes at its existing centres. Incubators will also provide access to appropriate office rental space, shared basic business services and equipment, technology support services and assistance in obtaining financing.

Ensuring adequate funding and active support for research and development related activities

Establish and facilitate relationships in key export markets

The Government will establish an export development centre, which will support small and medium-sized enterprises and enable them to export their goods. The Government will aid businesses by offering advisory services on which markets to target, as well as how to adapt particular products to cultural and language differences.

The Government will also establish relationships with distributors in several target markets to facilitate the entrance of products. Furthermore, SMEs will gain exposure through product displays at exhibits and through online promotion. To increase the volume of Bahraini exports to outside markets, the Bahrain Development Bank will continue to reduce export risk of firms through the Export Credit Guarantee Programme which covers all risks such as non-payment and sovereign risk.

To maximise the potential of Bahrain's extensive embassy network, the Government will develop an export facilitation manual for embassy officials. This manual will provide embassies with an overview of target export sectors and provide detailed guidelines on mechanisms to connect foreign clients with Bahraini companies.



Priority 3.5: Innovation across the economy

As Bahrain pursues its long-standing strategic goal of a knowledge-based economy, its socio-economic development will have to become increasingly driven by the local generation of ideas and information. An innovation ecosystem provides the foundation for the development of new products and services in the Kingdom and provides an important alternative to Bahrain's tradition of importing them. It can significantly boost the local value added and enhance the growth and competitiveness of local businesses. The necessary enabling environment for innovation rests critically on ensuring adequate funding, active support for research and development-related activities and mechanisms for improving the use of technology.

An innovation-driven economy is characterised by a comprehensive infrastructure of different elements, including researchers, universities, investors, venture capitalists and technical service providers. In recognition of this, the Government will seek to accelerate the development of the necessary enabling environment while fostering greater coordination across the ecosystem.



Sustained innovation is underpinned by a culture of creativity, which must be integrated into the Kingdom's education system from an early stage. While Bahraini students perform relatively well in their acquisition of knowledge, the creative application of that knowledge could be improved. In line with the Bahrain School Agenda, as discussed in *Priority 2.3: Well educated Bahrainis, the public school curriculum will match contemporary best practices in this field.*

The Kingdom's existing funding model for company growth, which is primarily based on public resources, will not be adequate for creating a truly innovation-driven economy. The Government will hence have to embrace innovative approaches to co-invest with the private sector in priority areas, as described in *Priority 3.2: An enabling environment to deliver sustainable growth.* Private capital and philanthropic contributions have played an important role in the development of knowledge-based economies elsewhere in the world and significant untapped opportunities in this regard also exists in Bahrain.

Bahrain's innovation agenda will place a particularly strong emphasis on applied research informed by the economic profile and development needs of the Kingdom. A key objective of such efforts will be to hone the economy's competitive advantage and ensure the legal protection of innovative ideas and designs. In order to facilitate the process, the Government will support innovators; for instance through workshops to assist small businesses in applying for patents and trademark protection. Innovative ways to foster research will include collaborative R&D labs with multinationals to develop products for the GCC and broader regional markets.

The Kingdom's technology infrastructure is an increasingly critical enabler of innovation and R&D. The effective use of ICT creates efficiency gains and boosts resources required for effective innovation. The Government will persist in its efforts to make sure that Bahraini innovators have access to an advanced technology infrastructure, as described in *Priority 3.6: Achieve genuine diversification.*

The Government will prioritise the following specific initiatives to meet these objectives:

Develop an innovation ecosystem in the Kingdom

The Government will establish an innovation ecosystem in the Kingdom to facilitate collaboration across educational institutions, research organisations and the private sector.

Enhance creative thinking in the classroom and at home

The Ministry of Education will introduce curricula which emphasise creativity and participation over lectures and rote learning. Bahrain's school system will ensure the development of deeper partnerships with renowned international innovation institutes for knowledge exchange, as has been detailed in *Priority 2.3: Well educated Bahrainis.*

The Government will also work with civil society organisations and the private sector to develop programmes that will support student exposure to science and technology innovation environments. Such initiatives will support the Government's aim of spreading a culture of creative thinking outside of the school setting.

Increase funding and support for R&D and patent creation

A national research fund will be created for higher education institutions to facilitate innovation and research in the Kingdom, while specifically targeting commercially viable research and technology. This will be done through public and private support via scholarships, loans, grants or awards for selected research students. The Government will also create and expand financing mechanisms such as venture capital funds established as public-private partnerships between private investors and Bahrain Development Bank. In parallel, the Government will increase awareness of financial aid opportunities by communicating them through counsellors or information centres.

To strengthen ties between universities and the private sector, the Government will incentivise both private-sector and academic research through outsourcing state-owned entities' research requirements.

To inspire society and set patterns of behaviour, national awards for innovation and R&D achievements will be introduced to raise the public profile of innovators and encourage innovation.

Strengthen intellectual property laws and regulations

The Ministry of Industry and Commerce will establish a system for the registration of trademarks, patents and industrial designs, enabling support to the Patent Office more efficiently to receive and examine patent applications and reduce the backlog of local and international applications.

Enhance coordination between Bahraini and global research institutions

The Government will enhance coordination between Bahraini research institutions, the Bahraini private sector and global research institutions. The Government will study the feasibility of developing a technology and research park and use incentives to attract both local and foreign companies to relocate their operations.



Priority 3.6: Achieve genuine diversification

The rapid shift in the structure of the Bahraini economy from natural resources toward human capital makes successful economic diversification a strategic necessity. Apart from providing new growth drivers, a more diverse economic profile is needed to generate sustainable employment for Bahrain's growing population. A balanced, diversified economic structure will also allow the Kingdom to stand resilient in the face of risks and also to take advantage of new opportunities that arise in the rapidly evolving global economy.

Genuine diversification requires a broad-based growth strategy as well as continuous investment in, and renewal of, Bahrain's competitive advantages. Targeted strategic initiatives are required to leverage the Kingdom's strengths and capabilities into new activities within sectors that can capitalise on regional and global growth trends. The Kingdom will also naturally continue to build on its track record of excellence in other sectors which can leverage established infrastructure and reputation to drive their growth through opportunities.

As much as the potential for broad-based diversification is not confined to any particular sector of the economy, the Government will identify individual activities within sectors characterised by particularly significant growth or convergence potential. As outlined in Priority 3.3: Openness and attraction of foreign direct investment and knowledge, such priority focus areas will be selected based on their ability to compete regionally and globally (see also Priority 3.4: Place the private sector at the forefront of growth). While Bahrain has made substantial progress in diversifying the composition of its GDP, more must be done to achieve a higher degree of export diversification. The current heavy dependence on hydrocarbons and metals must be reduced through more value-added products and services, for instance downstream manufacturing. The geographic diversification of Bahrain's exports holds similar importance, as it will strengthen the Kingdom's resilience against exogenous shocks from any one market or region.

Activities within skill and knowledge-intensive sectors will be prioritised in order to ensure the creation of high quality jobs for Bahrainis (in line with Priority 3.1: Ensure growth for the benefit of all) and to equip the local workforce with the skills and competencies required for future success. Government will also assess the efficiency of land use and allocation, as well as energy consumption of sub-sectors, in order to promote diversification into those parts of international value chains that conserve Bahrain's natural resources while creating value for the Kingdom (in line with National Strategic Priority 6: Ensure sustainable development of strategic resources).

Through efforts to boost the competitiveness of the economy, Bahrain can hope to capture elements of regional and global value chains in virtually every sector. However, there are economic activities where the Government is in a



position to bring about accelerated transformative change through targeted human capital development and by enabling co-investments between government-related entities and the private sector. Such untapped potential is particularly notable in the case of sectors such as ICT, tourism and health care, although significant opportunities exist in virtually all other sectors.

Tourism:

In the tourism sector, Bahrain's uniqueness in the region is defined by its wealth of archaeological and historical monuments, exceptional natural assets and liberal culture (see *Priority 1.2: A preserved and protected national culture*). The development of tourism in the Kingdom has been driven by this rich legacy as well as the emergence of modern tourism infrastructure in combination with good regional connectivity. Despite significant progress, the tourism sector possesses considerable further potential for delivering economic growth as well as for quality employment and investment opportunities. The product offering can be expanded through initiatives such as facilities for regional events and conferences or new seafront developments that capitalise on Bahrain's island identity. Further value can be created through the improved integration of existing facilities and the development of new clusters of infrastructure and events around them. Such initiatives will enable the Kingdom to capitalise on the current number of regular visitors – in particular from the Saudi market – while also creating the basis for targeting new markets. The Government's core focus will be on attracting other visitors within a one-hour flight or drive to Bahrain, which includes 23 million people, 11 million of them GCC residents.

Diversify Bahrain's tourism offerings

A more diverse product offering is instrumental in encouraging visitors to extend their average stay in the Kingdom. This entails expanding options across the spectrum of tourism offerings, including meetings, incentives, conferences, and exhibitions (MICE) tourism, eco-tourism, family tourism and cultural tourism. This will require increasing the number and quality of hotels, shopping malls and other tourism facilities (see *Priority 1.2: A preserved and protected national culture*). The Kingdom can also build on areas of strength, for instance the annual Formula One race and hold similar events in other areas.

The Government will create year-long attractions around its tourism assets, which are also enjoyed by Bahraini citizens and residents. These tourism offerings should seek to create clusters of tourism-related activities particularly focused on the market for family tourism. In particular, the Kingdom will seek to become a '365 days per year' destination through organising events which appeal to a wider audience. As outlined in *Priority 1.1: Access to public spaces*, the Government will also seek to make better use of the island's seafront, through developing beach complexes and offering water sports that are attractive to tourists.

Create an ecosystem and inter-linkages

Following the direction of the Tourism Development Plan, the Government will address current gaps to create a complete tourism ecosystem. All stakeholders, such as the Bahrain Authority for Culture & Antiquities, Gulf Air and Bahraini hotels will be coordinated to create an integrated comprehensive tourism offering for the country. These stakeholders will expand Bahrain's offerings of tourism packages which include sports, culture, and heritage.

Improve tourism infrastructure and services

Improving the enabling infrastructure for tourism is crucial to success. The airport modernisation project will increase the Kingdom's capacity to welcome visitors from around the region and further abroad (for details, see *Priority 5.1: Expand connectivity through infrastructure*). Further efforts are being made to ease arrivals and departures for visitors, as outlined in *Priority 3.3: Openness and attraction of foreign direct investment and knowledge*, through a more efficient visa process and easier causeway passage.

The Government will continue to review regulations on tourist visas, expanding where feasible the number of countries whose citizens can enter the Kingdom without visas. To increase ease of transport access, the Government will coordinate between Bahrain's target markets for tourism and the Kingdom's transport planning in order to help increase flight connections with key cities. Additionally, site-specific infrastructure, such as adequate connecting roads and signage at cultural and historic areas, will be improved to meet international standards.

The Government will also improve the services that are necessary for Bahrain to attract more tourists, such as destination marketers, tour agencies and tour guides. In addition to enabling tourism growth, these industries will also provide quality jobs, and are well-suited to the Kingdom's educated and culturally open workforce.

Enhance tourism regulations

The Government will enhance oversight of the sector to increase the effectiveness and enforcement of tourism regulations, including the licensing and classification of tourism establishments. Rigorous, enforced regulation will help ensure that the Kingdom is delivering a high-quality product to its visitors.

Furthermore, the Government will ensure the alignment of the National Planning and Development Strategy (NPDS), discussed in *Priority 6.4: Coordinated and effective land use*, with the strategic plans for tourism development in the Kingdom, particularly in the area of zoning for the development of tourism facilities.

Increase marketing and awareness of Bahrain's tourism offerings

Global awareness of Bahrain's unique history, culture, natural assets and attractiveness as a destination will be raised to ensure that Bahrain is reaching its potential in key markets. The Government will increasingly hold and participate in tourism and travel related forums and conferences, and enhance relationships with tour operators and travel agents in targeted markets, as well as utilise different media and advertising tools in order to build greater awareness about the Kingdom as a tourism destination.

Financial Services:

Bahrain has been a regional leader in financial services for nearly half a century, but the rise of other regional centres has created a need for strategic refocusing. The urgency of such repositioning is further enhanced by mounting global regulatory pressures and rapid technological change within the sector. Protecting Bahrain's impressive track record of quality employment and knowledge creation in financial services while boosting the sector's ability to enable broader economic development will be central to the Government's priorities. To this end, the Government will continue to refine and strengthen the Kingdom's unique value proposition. While working to further consolidate past achievements across the board, the Government will prioritise activities that capitalise on Bahrain's competitive strengths – such as, a qualified, multi-lingual workforce, mature regulation in a unified jurisdiction, and strong connectivity to the rest of the region. These factors, along with Bahrain's long track record in financial services, position the Kingdom particularly favourably for activities, such as Islamic finance, insurance and asset and wealth management, as well as mid-office and ancillary services, including financial training. The Government's strategically anchored efforts to foster the further development of Bahrain's financial sector will focus on four priority areas:

Make the financial services sector work better for the economy and society

The Government will engage with its financial industry on an ongoing basis in order to further enhance the contribution of the sector to the development of the broader economy. Efforts will be redoubled to enhance the central role of the financial sector in pooling and allocating capital. Economic efficiency and personal financial security mandate an increased focus on encouraging long-term savings. Among other things, retirement saving will be further encouraged at a time of increased longevity through corporate and voluntary personal schemes. Steps will be taken to engage with local banks and investors in order to better mobilise local capital resources for economic development. Steps to deepen Bahrain's capital markets are critically important in terms of boosting investment in the country. Bahrain Bourse will work to increase the liquidity of the stock market and encourage new listing activity as well as broadening the range of traded instruments (as discussed in *Priority 4.2: Increase domestic and international capital to fund future growth and development*).

Foster the regional and global expansion of competitive segments

The Government will support the further development of products and services in areas where Bahrain's unique value proposition can be leveraged for regional and global growth. Home to the most complete Islamic financial services cluster in the region, Bahrain will further invest in diversifying the ecosystem in ways that will enable it to foster development and innovation in Islamic finance while contributing to the global expansion of the industry.

Bahrain's large, skilled financial sector labour force is a key competitive advantage which the Government will seek to further enhance through increased industry training, provided above all by the Bahrain Institute of Banking and Finance. Local institutions will work to establish Bahrain as a global hub for talent development in financial services, particularly in Islamic finance. With the fragmentation of financial sector value chains, Bahrain is especially well positioned to cater to the needs of regional companies in a wide range of middle-office activities that required qualified, Arabic-speaking labour. Similarly, the Government will further develop Bahrain's credentials as a provider of ancillary services in areas such as auditing and accounting, consultancy, legal and advisory, risk, compliance and research.

The Government will sharpen the competitiveness of Bahrain's asset management regulations with a view to further consolidating Bahrain's role as an established hub of the dynamic mutual funds industry. The Central Bank will work to further develop the broader market infrastructure so as to allow for product innovation and easier distribution.

While supporting the growth of the Kingdom's dynamic insurance sector in areas such as life and health, the Government will also work to enhance Bahrain's ability to serve regional needs in the area of re-insurance.

Commercialise Bahrain's competitive advantages in the financial services sector

At a time of rapid growth in financial services across the region, the Government will encourage local service providers to cater to regional growth needs on a flexible basis. Bahrain can capitalise on its pool of qualified professionals to meet the evolving requirements of regional financial service providers through models ranging from outsourcing to finite service contracts.

As one of the pioneers of Islamic finance, Bahrain can support the growing global footprint of the sector on all levels, including experience sharing and providing advice on training and product development. The Central Bank will continue to partner with its peers in other economies, creating the platform for Bahraini expertise to be shared in all relevant areas.

Further efforts to embed Bahrain in global networks of centres of excellence are essential for boosting market access, innovation, and efficiency. The Government will work to develop partnerships between Bahraini institutions and other countries in key focus areas ranging from Islamic finance to fund management.

Position Bahrain as a responsive financial centre

While adhering to global regulatory requirements, the Government will work to ensure that Bahrain's regulations in the area of financial services are comprehensive, up-to-date, and competitive. Four particular initiatives will enable further growth in the coming years including, Investment Limited Liability Partnership Law, Protected Cell Companies Law, Financial Trust Law, and Securitisation Law.

While remaining strongly committed to comprehensive and robust regulation, the Central Bank will continue to improve its regulatory practices in order to further enhance the timeliness of decision making and responsiveness to industry needs. This nimbleness will serve as a key competitive advantage which Bahrain can leverage to meet the evolving needs of its regional partners as well.

Manufacturing:

The Kingdom's strategic development of the manufacturing sector will focus on capturing activities in the manufacturing value chain that reflect Bahrain's competitive advantages and recognise its resource constraints. The Government will continue to develop established companies in this area while working to enhance their productivity and economic contribution by creating downstream clusters around the largest of them. It is especially critical to prioritise areas with significant potential in terms of new exports as well as human capital utilisation and development. Human capital-intensive elements of value chains also promise opportunities to tap into regional development opportunities in the manufacturing space. Beyond this, the Government will prioritise knowledge- and human capital-intensive activities with limited land and energy requirements, as discussed in *Priority 6.2: Boosting the efficient use and conservation of power and water resources*. Capitalising on competitive advantages will go hand in hand with the ongoing commitment to ensure environmental sustainability.

Grow primary and downstream industries

Guided by a coordinated plan, the Government will continue to encourage the ongoing growth of both primary and downstream industries. The Government will broaden opportunities around Bahrain's established manufacturing activities as an important source of new value-added jobs and export diversification.

Primary expansion projects include:

- Aluminium Bahrain (Alba) sixth production line: The addition of a BD 1.50bn sixth production line at Alba will allow further expansion through partnerships with foreign investors into the downstream aluminium sector, which has been among the more dynamic segments within the broader manufacturing sector in recent years. This will offer significant additional opportunities for quality employment, export diversification and other related services.
- Bahrain Petroleum Company (BAPCO) modernisation: BAPCO will invest BD 2.26bn in a refinery modernisation and expansion programme which will increase its crude oil refining capacity from 260,000 barrels per day to 360,000 barrels per day and add several new processing units. This project will address the refinery configuration, energy efficiency, gross margin, environmental compliance and provide continuing employment opportunities to Bahraini citizens. In order to meet the needs of the project, Bahrain will collaborate with Saudi Arabia to develop a Saudi-Bahrain pipeline that will increase the capacity of imported crude oil from Saudi Arabia to 350,000 barrels per day.
- Gulf Petrochemical Industrial Company (GPIC) expansion: Subject to the availability of gas domestically, GPIC will explore the expansion of its production capacity of ammonia and urea, mainly for export overseas.

The Government will support the development of technical services based upon the existing industrial base and expansion plans. Industrial services for oil and gas, petrochemicals and metals, such as industrial equipment, inspection, evaluation and maintenance, will be encouraged to establish headquarters in the Kingdom through incentives and improved marketing.

Increase and improve access to industrial lands

The Government will develop additional industrial areas to be allocated to high value-adding projects in Bahrain, in accordance to the National Planning and Development Strategy discussed in *Priority 6.4: Coordinated and effective land use*. The Government will identify priority zones and develop the necessary infrastructure for existing and new industrial lands.

The Government will therefore invest BD 92mn of the GCC Development Programme for the land reclamation project in Sitra for industrial land, as well as BD 12mn from the fund for further infrastructure developments in Salman Industrial City.

Facilitate private sector investment in high value-added manufacturing sub-sectors

As the potential for diversification is not confined to any particular industry in the manufacturing sector, the Government will conduct studies on various industries and sub-sectors, such as food, petrochemical and other industries, in order to identify individual activities that can capitalise on Bahrain's competitive strengths.

Targeted efforts will be taken to attract foreign investment in pre-identified activities in the manufacturing sector with significant potential in terms of new exports, job creation, and smart utilisation of the Kingdom's limited land and hydrocarbon resources.

Support research and development in manufacturing technologies

Innovation constitutes an increasingly important element in the continued evolution of the manufacturing sector. The Government will encourage and fund manufacturing-related research and development to encourage the adoption of new technologies to expand the capabilities of the manufacturing sector and boost productivity.

Logistics:

Bahrain's status as a small, highly open economy with heavy import requirements and a strategic need to boost exports makes logistics a key growth opportunity and a broader enabler of economic development. The Government will continue its work on logistics infrastructure so as to seamlessly incorporate Bahrain in the broader regional economy and capture a growing proportion of the trade flows passing through the region, especially in the economically dynamic Northern Gulf area. Bahrain's key competitive advantages include its strategic location and the King Fahad Causeway which connects the Kingdom to the largest market in the region, as well as the existence of an integrated cluster in the north of the island, including the Khalifa bin Salman Port and Bahrain International Airport. Building on this foundation, the Government will continue to develop Bahrain as a logistics hub with easy and swift connectivity. While it cannot compete on scale alone, the Kingdom will prioritise efforts to develop quality services, as well as regulatory and infrastructure excellence.

Improve the openness of Bahrain's logistics industry

To attract global players and create jobs for Bahrainis, the Kingdom will increase the openness of its logistics industry to foreign companies. The Government will enact reforms which allow foreign companies to operate in all sectors of the market in order to attract new technologies and improve the productivity of the sector.

Facilitate the efficient movement of goods in the Kingdom's logistics sector

The Government will ensure the delivery of world-class performance in the services and operations of Khalifa bin Salman Port, King Fahad Causeway, Bahrain Logistic Zone and private jetties. The Government will also work to streamline the customs processes, while maintaining security. Building on the electronic customs declaration services already offered, Customs Affairs will continually increase the effectiveness, timeliness and diversity of services offered online.

Improve Khalifa bin Salman Port services

The Government will focus its efforts on attracting shipping lines from regions worldwide to Khalifa bin Salman Port and facilitating the transshipment of goods to the growing regional markets. The Government will enhance coordination amongst all relevant stakeholders and other Government-related entities to ensure the smooth and efficient movement of goods via Khalifa bin Salman Port, the streamlining of operations at the port and the integration of the port with neighbouring industrial zones, including Bahrain Logistic Zone and Salman Industrial City. The Government will continue to oversee and monitor the performance of the private operator of Khalifa bin Salman Port to ensure continuous compliance with the concession agreement.

Improve Bahrain Logistics Zone services

In its efforts to provide a full package solution at the Bahrain Logistic Zone, the Government will ensure the delivery of high-quality services at competitive prices to tenants, thereby enabling the attraction of new companies and maintaining customer satisfaction in operating their businesses. These will include the provision of the necessary infrastructure, facilities management and security services. The Government will also initiate the second phase of Bahrain Logistics Zone expansion to cater for future demand.

Enhance the Kingdom's aviation logistics services

The Government will improve the efficiency and reliability of the aviation logistics services through the adoption of new technologies and improving safety measures. As part of this, the Government will foster the expansion of existing companies as well as attracting new cargo companies, by providing the necessary land and infrastructure at Bahrain International Airport. The Government is also developing a maintenance, repair and operating supplies offering to provide maintenance services to the aviation sector, as a key part of the logistics sector ecosystem.

Build human capital across the logistics cluster

The Government will encourage higher education and vocational institutions to provide educational and training programmes focused on the logistic sector, at various levels and specialisations. This will enable the Kingdom to capitalise on the opportunities provided by the sector, while also enhancing Bahrain's value proposition.

Information and Communications Technology:

Bahrain's strong ICT infrastructure and favourable regulatory environment constitute a solid foundation for the further development of this strategically important sector. Bahrain is in a strong position to expand its ICT product mix through untapped opportunities in areas such as IT Services and Digital Media. More targeted efforts to cater to regional demand trends on the basis of Bahrain's competitive strengths in human capital and regulation can help the industry evolve from a primarily domestic focus. Bahrain could potentially look at becoming an aggregator of Arabic content in the long run. Beyond the development of the ICT sector in its own right, the Government recognises that ICT is an ever more critical element of infrastructure provision and a key enabler of growth throughout the economy. Proactively developing the Kingdom's competitiveness in this sector is hence of particular strategic significance and economic impact. These measures will also constitute a central element of the Government's ongoing efforts to transition to a more knowledge-based economy.

Develop human capacity for ICT expansion

Capitalising and further building on Bahrain's human capital advantage will be central to developing Bahrain's capacity to excel in the ICT space. To this end, the Government will study market gaps between qualifications and market needs with a view to introducing apprenticeships and accredited professional certifications in targeted fields for Bahrainis. In order to foster innovation, the Government will work to improve the availability of capital, in particular for research and development, in promising sectors such as applications and web development, web hosting and data science. ICT research and development efforts can be encouraged through partnerships of global technology institutes with Bahraini educational institutions.

Increase support for local ICT firms to access regional markets

The Government will encourage and enable Bahrain-based ICT companies to cater to broader regional demand trends by identifying high potential subsectors of the ICT industry which the Government will support through funding and partnerships with the private sector. The Government will support and encourage local ICT companies to enhance their capabilities in technical product development and marketing. Further support and encouragement of external market research will be provided to boost the development efforts of local ICT providers.

The Government will help local ICT firms build capacity through partnerships with international companies. As a part of the ecosystem development initiatives, a structured forum for interaction between the private sector ICT firms will be encouraged to provide a unified voice for the industry.

Attract high-quality ICT companies

Attracting ICT companies to Bahrain promises considerable potential for the industry. The Government is also working to develop a well-defined value proposition to serve as a theme to market Bahrain's ICT industry initiatives to the world in areas of excellence such as e-Government.

Improve governance, information and efficiency of services

The Government will improve coordination between all relevant Government entities through enhancing data collection and reporting to industry stakeholders and decision makers. The Government will further improve operational efficiency of services provided through measures such as developing the national broadband network (as indicated in *Priority 5.1: Expand connectivity through infrastructure*). Further steps will be taken towards decoupling service providers from infrastructure providers to incentivise innovation and competition in the sector.

Healthcare:

While the healthcare sector will be undergoing dynamic development through a range of initiatives, addressed in *Priority 2.1: High-quality and comprehensive healthcare services*, it is also essential to recognise the considerable opportunities that the sector possesses for further socio-economic development. By more effectively tapping into local and regional trends, it can significantly enhance its contribution to GDP and quality job creation.

The healthcare sector in Bahrain offers numerous avenues for increased collaboration between the Government and the private sector in the expansion of the facilities and services provided. Significant systemic needs are created by lifestyle-related health conditions as well as diseases to which the local and regional population is particularly genetically predisposed to. The rapid growth of non-communicable diseases demands more research, better quality treatment and an expansion of private sector participation in the provision of healthcare services. Additional health care demands are created by the ageing of the local and regional population along with longer life expectancies.



As the population and household income of the Arab world continue to increase over the next decade, demand for high quality and affordable health services will grow rapidly. Capitalising on this, the Government will prioritise the healthcare tourism segment, a crucial priority area within the healthcare industry which has the potential to create high quality jobs for Bahrainis and cater to the demand of the GCC and broader region.

Upgrade the healthcare legal framework for private providers

The Government will continue to upgrade the legal framework governing the healthcare sector and encourage greater private investment. The Government will particularly seek to address regulatory barriers – for instance, the outdated restrictions on healthcare company ownership – which have limited private sector involvement in the industry and have curtailed the positive impact that the healthcare industry can have on Bahrain’s economic growth. Removing these barriers will allow the private sector to work with the relevant entities to expand clinics and specialised facilities.

Facilitate private sector investment in healthcare to serve the region

The Government will deploy its available tools – co-investment, land development and a supportive regulatory environment – to attract high quality private healthcare providers to Bahrain. These will be targeted for their ability to serve the broader region from their facilities in Bahrain and to provide specialised support services to Bahrain’s core healthcare providers.

The Kingdom’s human capital advantage creates a basis for the significant expansion of employment in the healthcare services sector, in serving both Bahrainis and regional medical tourists. The Government will capture a greater share of growing regional spending on healthcare in Bahrain, particularly for targeted specialisations. To capture the regional healthcare market, the Government will also integrate the medical tourism experience with quality lifestyle options such as hotels and luxury resorts of the highest international standards, catering to a market with growing disposable income and a higher propensity to spend on luxury.

Education:

Bahrain has historically been a regional leader in education and there is a compelling opportunity to create and expand quality private education institutions to serve the rapidly growing regional needs in this area. For example, the efforts of organisations such as the Bahrain Institute for Banking and Finance have established Bahrain as a world leader in developing curricula and standards for the rapidly expanding Islamic finance sector.

Ensure a well-regulated market for private education

Bahrain has an established a private education sector with a diversity of providers at all levels. However, ensuring high quality standards is vital if the Kingdom is to attract students from the Gulf and the wider Arab world (see *Priority 2.3: Well educated Bahrainis*).

The Government will therefore develop a clear, transparent and business friendly regulatory environment in order to boost Bahrain's education competitiveness regionally and attract high quality education service providers.

Facilitate private sector investment in high quality education to serve the region

The Government can boost its education competitiveness regionally through the attraction of high quality education service providers.

The Government will deploy its available tools – co-investment, land development and a supportive regulatory environment – to attract high quality private education providers to Bahrain. These will be targeted for their ability to serve the broader region from their facilities in Bahrain.

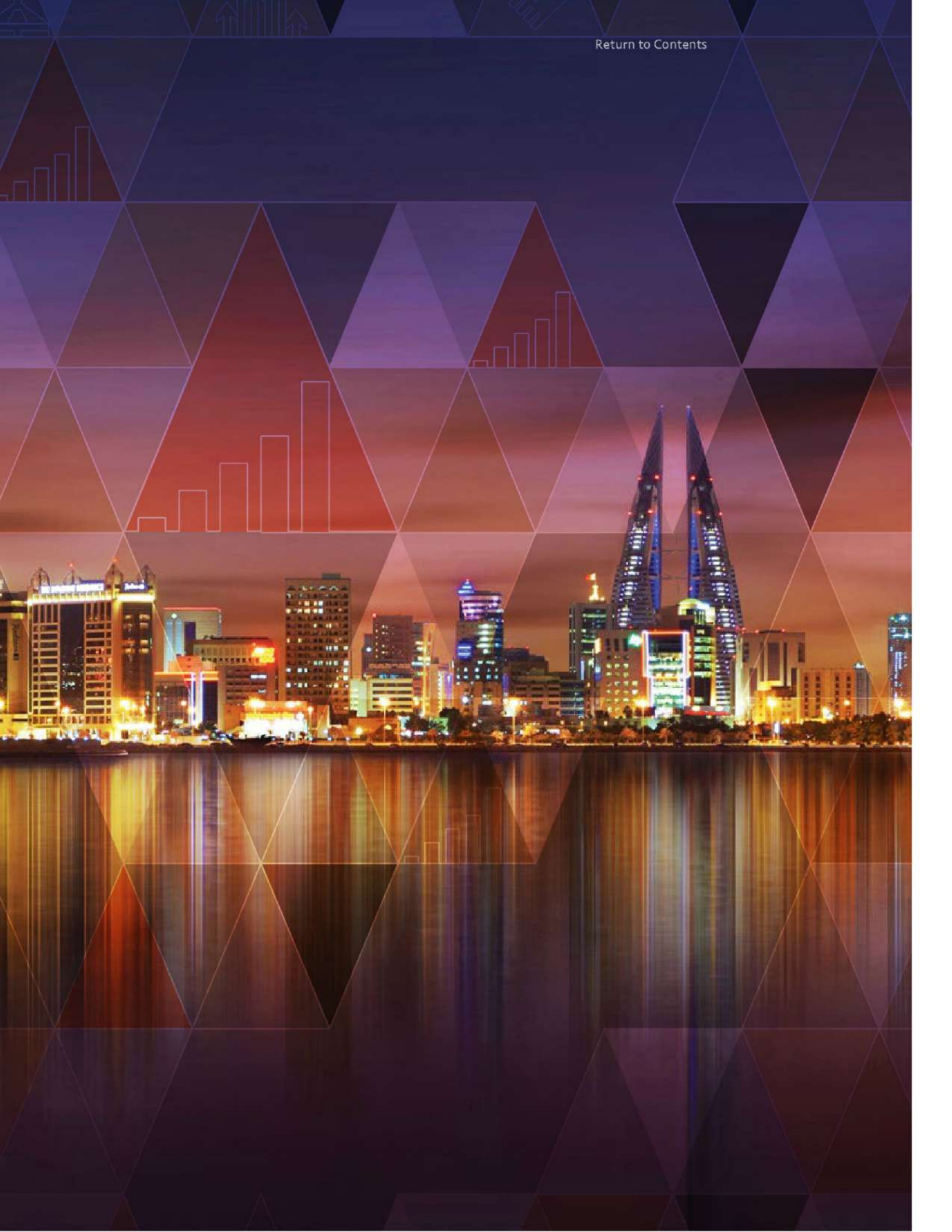
The Government should also encourage the private sector to create specialised education programmes through training centres in areas such as finance, medical services, and logistics management. Additionally, Bahrain is well-positioned to extend its reach internationally through capitalising on technological innovation, such as online education tools and platforms, particularly in areas such as Islamic finance.

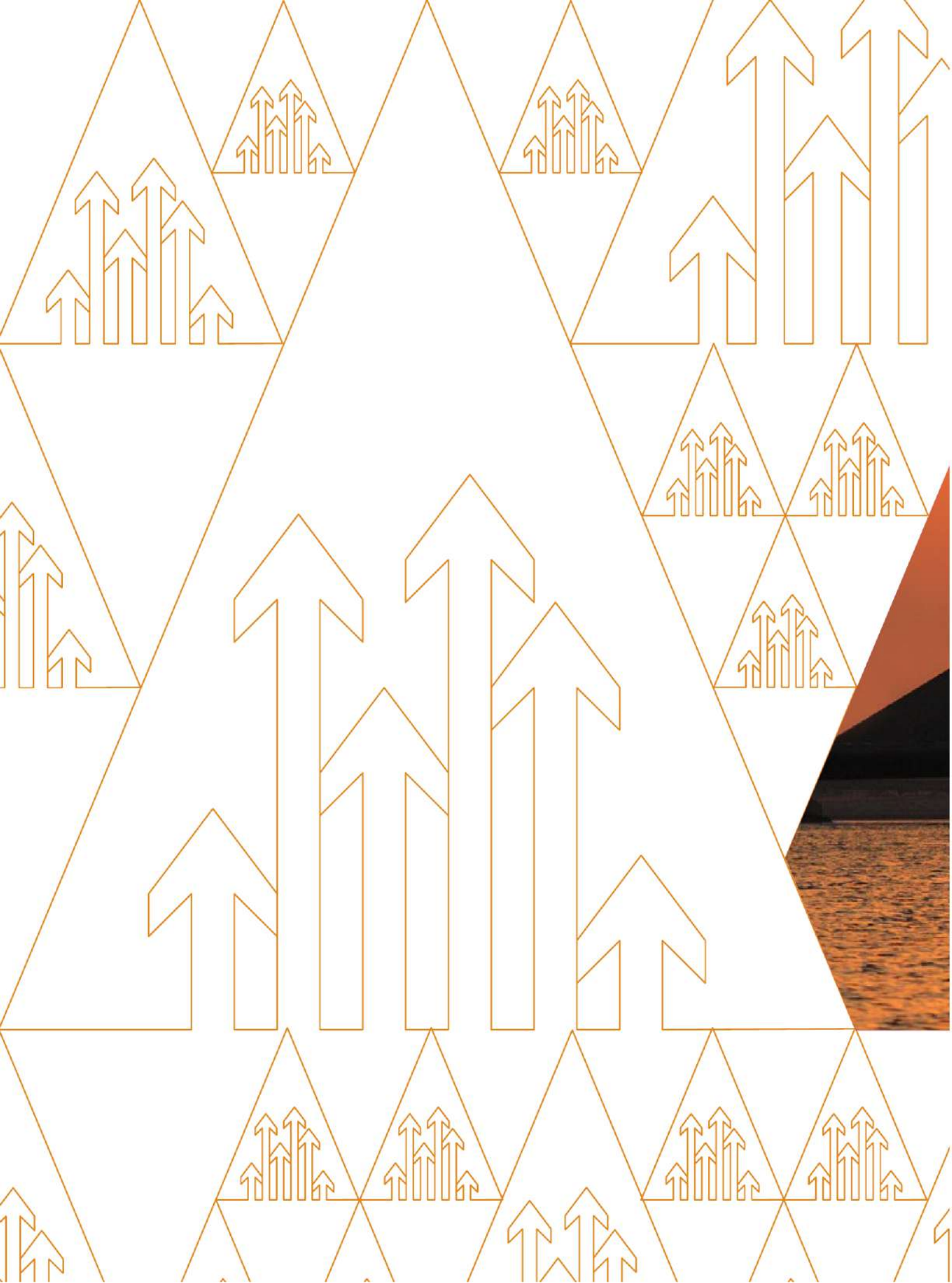
Professional and business services:

The professional services sector is a key enabler of growth across the economy and has been one of the most dynamic sectors in the GCC region over the past decade. Bahrain is well-positioned to compete across a range of services due to advantages such as its educated bilingual workforce, its high-speed technology infrastructure, its openness and connectivity, the competitive cost of doing business, and the high quality of life in Bahrain. These are the central ingredients to become a hub for professional and business services catering to the region. Progress in this area will represent an important step toward realising the Kingdom's knowledge-based economy ambitions.

Promote and expand professional business services in support of core and emerging sectors

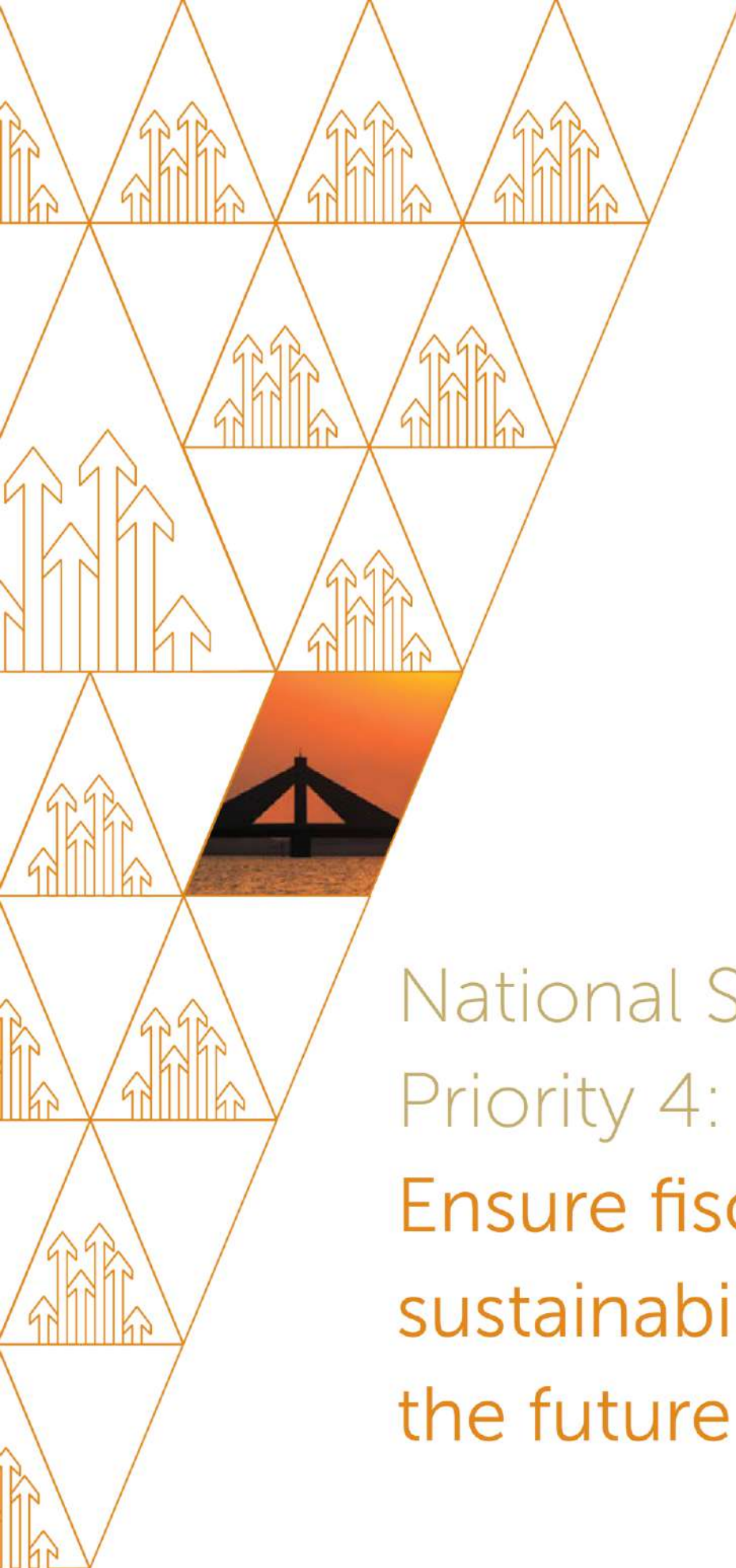
In order to leverage the regional growth across different economic sectors, the Government will strengthen its hub status as a business centre by attracting regional holding companies, as well as enterprises that provide legal, accounting, media, business consulting services, and business process outsourcing.





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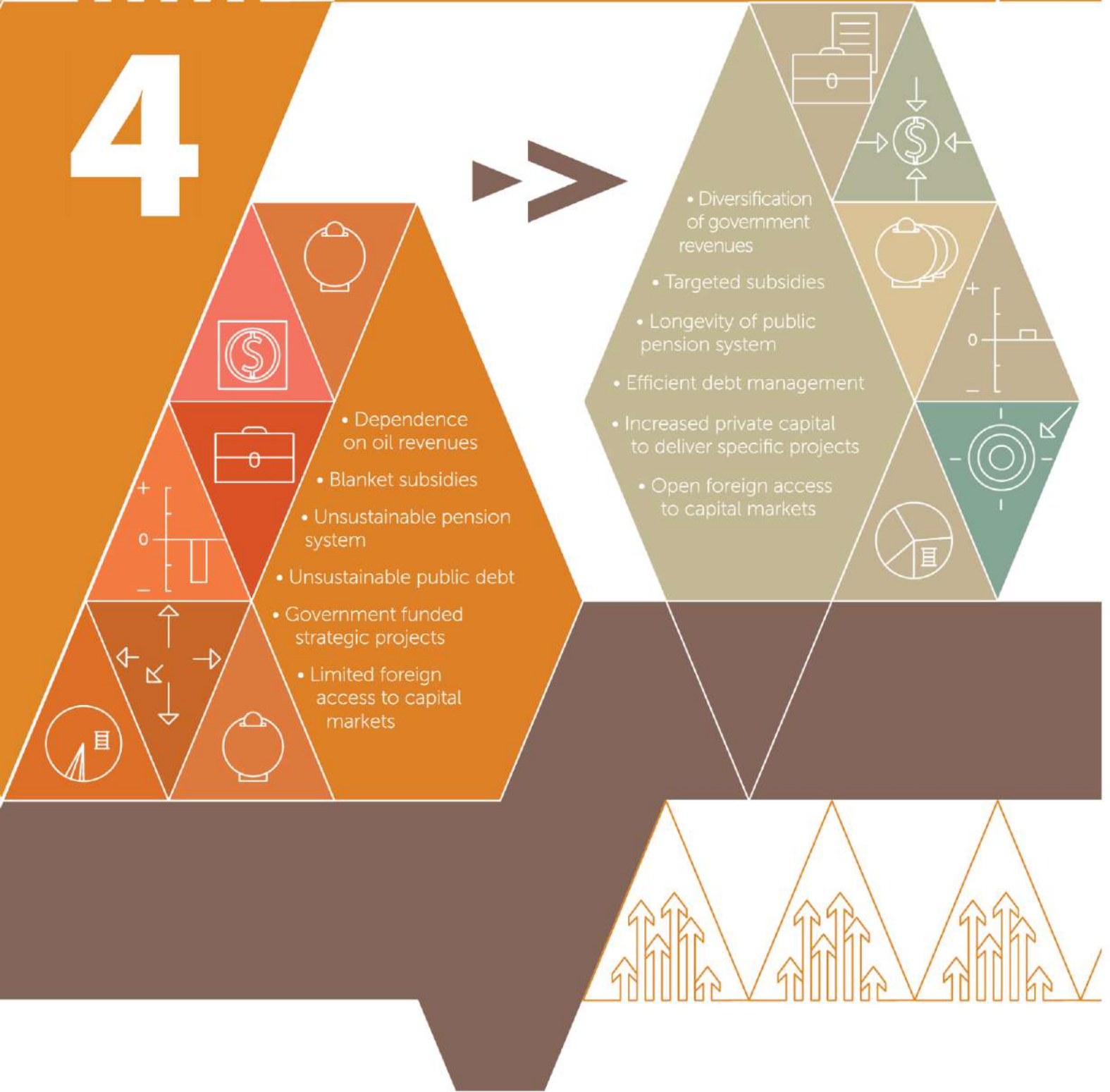




National Strategic
Priority 4:
**Ensure fiscal
sustainability to fund
the future**

Ensure fiscal sustainability to fund the future

4



The period of global economic crisis has seen a sustained divergence between government revenues and expenditures in Bahrain. This has sharply increased the Kingdom's national debt and eroded its sovereign credit rating, pushing up the cost of capital in the Kingdom. A growing share of financial resources has gone to support government expenditure and debt at a time when rapid population growth creates substantial new needs for investment.

As a small, open economy heavily dependent on limited revenue sources, Bahrain must restabilise its government finances. This is all the more important because of the strong drivers pushing up recurrent spending in the face of a growing population. Left unchecked, the current situation could result in a spiral of increased indebtedness and leave the Government with minimal defences in the event of a renewed global downturn or downward pressure on the oil price. Such a scenario could significantly jeopardise the well-being of future generations of Bahrainis and threaten the country's status as a regional financial centre.

As Bahrain works to check and ideally reverse the build-up of government debt, it must make sure that fiscal consolidation does not undermine its ability to attend to the social needs of its population. Similarly, any redefinition of the Government's role must be aligned with efforts to ensure that new sources of capital are mobilised to support the future development of Bahrain's economy through adequate investment. What is needed is a structured process for gradually redefining the responsibilities of the Government and the private sector while ensuring economic continuity and boosting confidence.



Priority 4.1: Balance Government revenues and expenditures

Following a pronounced deterioration in Bahrain's fiscal balance in recent years, the Kingdom's growing public debt has become one of the main vulnerabilities facing the economy. Sovereign debt exceeded BD 5bn in 2013 – more than 40% of GDP – and the cost of servicing it claimed 6% of all government expenditure. Alarming, the cost of borrowing has increased at a time when borrowing needs are also continuing to grow. This situation entails risks that have been repeatedly highlighted by international observers and rating agencies.

In spite of significant progress in diversifying national GDP composition, government revenues remain critically reliant on hydrocarbons, which now account for 88% of budget income. This leaves Bahrain's fiscal situation highly vulnerable to changes in the oil market – which is beyond its control. Despite a robust recovery in oil prices since 2009, the price required to balance the budget has persisted above the historically high market prices and stood at USD122 in 2013. The Kingdom currently has the highest breakeven oil price of the GCC, and any fall in the oil price would quickly entail adverse effects on the fiscal situation and the broader economy.

An enduring solution to Bahrain's fiscal vulnerability necessitates structured efforts to reduce deficits and thereby bring down the break-even oil price. The fiscal rebalancing must involve efforts on either side of the Government balance sheet – both revenue diversification and expenditure control. The Government will explore all possibilities for boosting its income, by increasing contributions from existing revenue sources as well as by identifying new income streams where possible. At the same time, the Government will review its spending in order to achieve greater efficiency and savings. The budget will be prioritised on the basis of the socio-economic impact of projects and services. Ongoing efforts to pursue cost saving measures for Government processes and operations will be redoubled.

The Government aims to safeguard the Bahraini citizen's wellbeing and support those most in need, however, a key component of rebalancing the national budget will have to be the focused restructuring and improved targeting of costly government subsidies. Currently, several subsidy programmes are provided on a universal basis, offering lower prices on scarce resources equally to all Bahrainis and non-nationals, households and businesses alike. The main beneficiaries of these programmes have hence been non-nationals, the wealthy, and business users who consume subsidised resources much more heavily than those with genuine needs.

The Government will work to ensure that subsidies will in the first instance benefit those with limited resources and vulnerabilities that leave them reliant on external support. The priority will be given to Bahraini citizens who are most in need as the Government works to reduce the fiscal burden of these programmes whilst ensuring that they still benefit those who need them most and gradually introduces more rational pricing structures to foster economic efficiency and reduce waste.

The Kingdom's pension system represents another significant structural vulnerability facing the Government. The actuarial deficit of the public pension fund – the difference between projected revenues and expenditures – amounts to over BD 6bn and is hence larger than current public debt. Under the current pension terms, actual deficits risk materialising within a decade as the number of pensioners increases at rapid pace. This means that the pension fund would soon require significant funding support from the Government, which could compromise the Kingdom's fiscal sustainability. In order to curtail these risks, the Government will take measures to ensure that the actuarial deficit is reduced and the life time of the fund is extended. The Government will also focus on maximising the investment returns from the assets of the fund while prudently managing the investment risks.

The Government must pursue efforts to restore fiscal balance with great urgency. Precisely because Bahrain cannot expect to fully eliminate its budget deficits in the short term, the necessary reforms and structural changes must be identified and initiated without further delay. This will allow the Kingdom to bring the current unsustainable trends under control gradually. A failure to do this in a timely manner risks necessitating extreme adjustments of Government spending in the future, which in turn would likely entail significant economic disruptions. By implementing policy changes to address the fiscal challenges within the next four years, the Government will be able to gradually reduce the Kingdom's deficits without adverse effects to the economy and citizens. Alongside reducing vulnerabilities, this will accrue indirect benefits through increased confidence in the fiscal system and broader economy.

The following specific initiatives over the next four years will be prioritised to achieve these objectives:

Improve and diversify government revenue streams

The Government will diversify its revenue stream from hydrocarbon revenues by exploring and implementing revenue enhancement measures, including a review and update of current fees, and the introduction of new fees in order to recover government expenditure. Furthermore, the Government will increase the effectiveness of government revenue collection.



Improve efficiency of government spending

The Government will introduce new expenditure reviews and approval guidelines in government spending, including more evidence-based, outcome-oriented budgeting approaches. Programmes which have a proven impact in advancing strategic priorities will receive greater funding. Additionally, the Government will pursue increased efficiency through a variety of approaches, including enhancing the efficiency in the provision of government services, continuous reviews of high cost programmes and the review and reduction of duplicated work and redundant projects.

Review the Government's subsidy programme to ensure it targets those in need

The Government will conduct a full review of its subsidy programme and explore policy options which would effectively deliver subsidies to needy Bahraini citizens and targeted economic sectors. The Government will also set out a clear and long-term pricing plan for all subsidised goods.

Increase the longevity of the public pension system

The Government will review all options regarding the pension system, and will implement necessary structural and policy changes to ensure its sustainability. The Government will address necessary changes to the policy of contributions and benefits policies. Investment policies will also be tailored to maximise returns on investment while minimising risk, while the Government will continue to contribute financially to the fund in order to mitigate any shortfall.

Improve management of the Kingdom's sovereign debt

The Government will establish a debt management office to oversee the Kingdom's efforts at fiscal management and to work in greater coordination with the multiple relevant stakeholders – both domestic and foreign – to ease the size of the Kingdom's public debt obligations and keep debt servicing costs at a necessary minimum.

The Government will also take necessary measures to meet financing and liquidity needs sustainably. It will consider movements in exchange rates and interest rates, the reduction of large rollover risks, market liquidity risks from Government borrowing, the stock of foreign reserves and the costs of servicing debt.



Priority 4.2: Increase domestic and international capital to fund future growth and development

A transition away from the government-led model of investment is among the most important tasks facing Bahrain in the years ahead. What is needed is a mixed paradigm where private capital is systematically used to fund important projects. Heavy reliance on public resources is no longer fiscally sustainable, nor economically efficient in a region that is home to deep pools of private and sovereign capital. It is imperative that the Government and the financial services industry work together to develop additional mechanisms that can pool savings and deploy those funds in the service of the Kingdom's economic and social infrastructure. In view of Bahrain's demographic dynamics alone, investment opportunities will increase in areas such as education, healthcare, housing and other physical infrastructure.

Increased involvement of private capital in funding economic development entails a number of important economic benefits. It reduces the burden on public resources and can help contain the growth of public expenditure at a time when continued rapid population growth is creating significant additional pressures on the government budget. By bringing in additional investment, the Government can boost the scale and diversity of the services offered to the Kingdom's citizens and residents. Privately funded and co-funded projects tend to be more bankable, designed in a way that enhances efficiency, minimises waste and maximises the likelihood of sustainable development. They can hence boost economic efficiency without compromising quality. From the investor perspective, privately funded ventures represent new opportunities for Bahrainis, regional banks and pension funds to participate in thorough instruments that can offer significant long-term value creation.

In order to mobilise available capital resources to support growth, the Government will work to foster the growth of institutional investors and to encourage local investments in their portfolio allocations. An important precondition for the successful involvement of private capital in national economic development is the creation of laws and regulatory practices that reconcile public interest with appropriate incentives for private investors. Continued evaluation of the results of privately-funded projects and public-private partnerships will ensure that the public interest is being served on an ongoing basis.

The greater involvement of private capital in funding economic development does not obviate the need for Government backing in key areas. Government-owned companies and funds will continue to play an active role as co-investors in the Kingdom's future.

Channelling new sources of private capital – both domestic and foreign – into the Kingdom's economic development requires the continued deepening and development of Bahrain's capital markets after a challenging period. This is particularly important at a time when alternatives to traditional bank finance will grow in importance, not least due to the economic impact of Basel III. The Government will work on upgrading the regulation, infrastructure and product range of capital markets in ways that will boost investor and issuer activity.

The Kingdom's stock market constitutes an important part of the broader financial sector architecture in the Kingdom. It represents an important mechanism for privatisation, as well as capital raising through initial public offerings and other issuance. Similarly, fixed income markets, whether bonds or sukuk, provide alternative project financing options that can be supported by private capital instead of relying on government funds. The greater use of capital markets can boost transparency and governance, thereby lowering the cost of capital for important development needs. To this end, the Government will work to meet the highest international regulatory standards and practices in the Bahraini market, so as to ensure that Bahrain gains widespread recognition as an attractive place in which to invest.

The following specific initiatives over the next four years will be prioritised to achieve these objectives:

Diversify sources of funding for strategic projects of national significance

The Government will increasingly involve private sector funds in projects in multiple sectors. The Government will structure and tender projects in a transparent manner to ensure that the best quality outcomes, not merely the lowest price bid, is the key guiding principle (see Priority 7.5: Accountability through transparency). Performance-based contracts for programme spending will be used as much as possible when dealing with private developers.

The Government will stimulate and formally regulate the expansion of occupational and voluntary pension schemes to increase local investment in the Kingdom's strategic projects.

Furthermore, the Government will encourage increased co-investments from Bahraini funds, such as Mumtalakat and nogaholding, in strategic sectors of the economy to help stimulate the private sector.

Deepen national capital markets

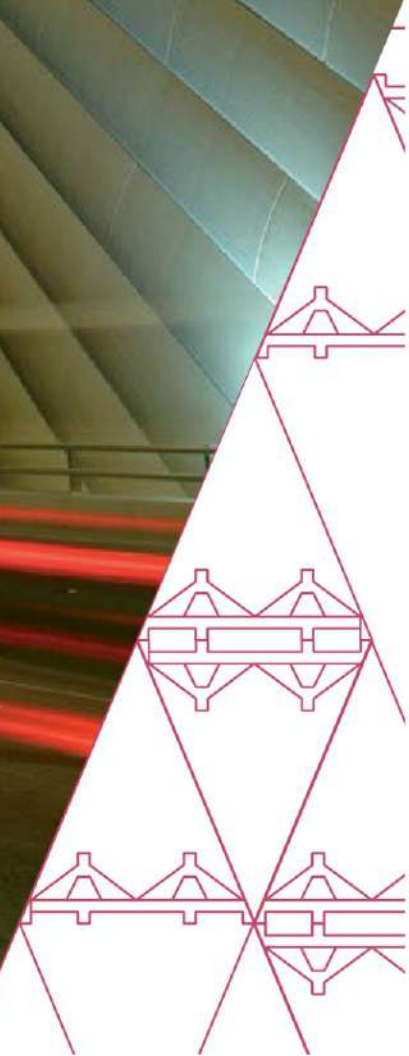
The Government will continue to develop the Kingdom's capital markets – through the Central Bank of Bahrain and Bahrain Bourse – particularly through greater local Sukuk issuances, the development of a secondary Sukuk market and facilitating other Sharia-compliant transactions such as Murabaha. The Government will also help government-owned companies raise funds by floating more shares on capital markets.

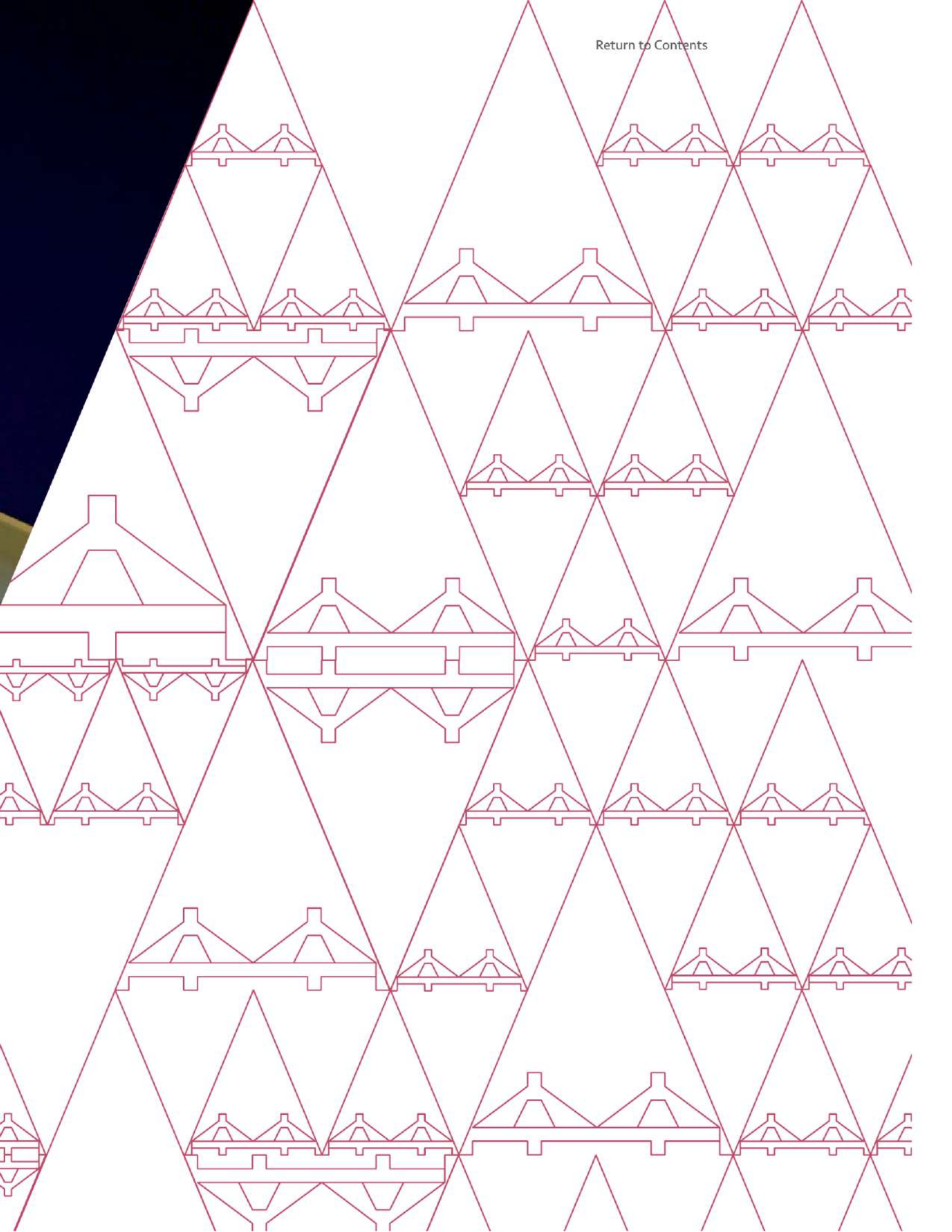
In order to further ease access to capital markets for local companies, Bahrain Bourse will develop a second equity market, incentivising small and medium-sized enterprises to list their shares on this market and assisting them in the process.

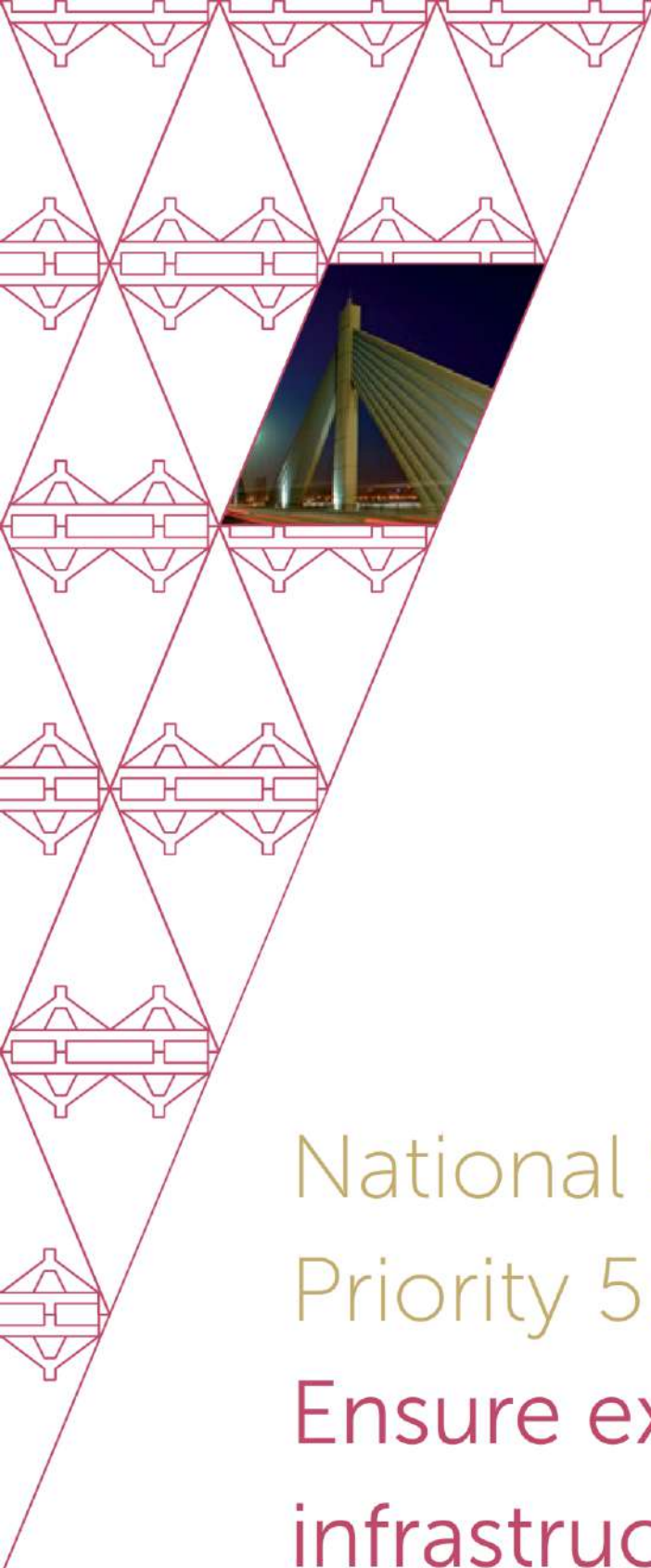
The Government will open local capital markets to foreign investment, allowing foreign brokerages to trade on these markets without a local presence.

The Government will also promote initial public offerings in the Kingdom, and open local capital markets to foreign investors without a local presence. The Government will support GCC initiatives facilitating investments in initial public offerings by GCC nationals across all GCC economies. The Government will also reform key laws and regulations – for instance, the Company Law – to promote and incentivise greater foreign investment through capital markets in the Kingdom's economy.









National Strategic
Priority 5:
Ensure excellence in
infrastructure

Ensure excellence in infrastructure

5



KEY INFRASTRUCTURE PROJECTS

- ▲ Expansion of Bahrain International Airport
- ▲ Expansion of the King Fahad Causeway
- ▲ Improve infrastructure of KBSP
- ▲ ICT infrastructure
- ▲ Road infrastructure
- ▲ Public transportation network
- ▲ Utilities
- ▲ GCC railway

Improving the quality of Bahrain's infrastructure – mainly in transport, ICT, energy and water – is central to the Government's efforts to increase the quality of life of its citizens. It is also critical for the success of Bahrain-based companies and the Kingdom's overall competitiveness as a regional hub. As the Government seeks to increase the involvement of the private sector in economic development, providing the necessary enabling environment will be of critical importance. Competitive infrastructure is essential for the ability of the private sector to move its products and services across supply chains at reasonable cost.

Quality infrastructure, similarly, improves business efficiency through increased connectivity. This is the case with the causeways, sea ports, and airports that connect Bahrain to regional and international markets. The Government must ensure that these facilities are of high quality and offer sufficient scale to match its ambitions to enhance openness, as highlighted in *Priority 3.3: Openness and attraction of foreign direct investment and knowledge*. Similarly, the ability to transmit information in a swift and secure way is an increasingly important element of a modern society where information technology is evolving into an ever more central dimension of infrastructure provision. Bahrain must continue to expand telecommunication and internet connectivity to all aspects of society to allow all Bahrainis to connect to the world and contribute to the country's social and economic development.

The growing population and expanding economy of Bahrain are driving a rapid growth in the demand for infrastructure provision, therefore placing a strain on capacity. As discussed in *Priority 4.2: Increase domestic and international capital to fund future growth and development*, the Government must ensure that the substantial investment needs facing Bahrain are met without compromising the health and sustainability of public finances. The historic model of Government-led infrastructure provision can no longer be sustained in the years ahead as the scale and cost of building critical infrastructure mounts. This creates a need to expand the private sector-led funding models that have been pioneered in recent years. At the same time, it is essential that the Government redouble its efforts to plan infrastructure developments carefully to optimise the use of the Kingdom's scarce land resources. It will ensure that infrastructure projects, wherever possible, have a low land and energy intensity. The Government will also utilise them to support initiatives that are environmentally friendly, export-oriented and lead to job creation.



Priority 5.1: Expand connectivity through infrastructure

The Kingdom's success is critically dependent on modern connective infrastructure needed to move goods, information and people.

Openness has always been a key guarantor of Bahrain's competitiveness and its importance is likely to grow further in today's globalised economy. In the years ahead, Bahrain must increasingly pursue economic growth opportunities by tapping into global value chains, capturing and adding value to global flows of goods and information. The Kingdom's success in this regard is critically dependent on modern connective infrastructure, including the airport, roads, rail and ports which are needed to move both goods and people. This connective infrastructure remains central to the nation's ability to access global value chains and flows (see *Priority 3.3: Openness and attraction of foreign direct investment and knowledge*). The Government will also align infrastructure development with plans to develop tourism. Elements of the Kingdom's connective infrastructure that serve as the first point of contact with visitors will be used to create positive impressions and convey information about the Kingdom.

In addition to the development of physical infrastructure for the transport of goods and people, ICT infrastructure will become an increasingly crucial enabler of prosperity in the years ahead. ICT will allow public services to be delivered more efficiently, businesses to start and grow through easily tapping into global information flows and Bahrainis to connect with each other more easily. Over the coming four years, the Government will work to increase the speed and accessibility of broadband infrastructure and enhance the security and sustainability of ICT infrastructure.

The Government will prioritise the following specific initiatives to meet these objectives:

Expand Bahrain International Airport

The Government will continue to develop the necessary infrastructure for civil aviation in the Kingdom. The Government will therefore implement the Bahrain International Airport expansion project to facilitate the growth of passenger traffic and increase in cargo flows. This project will include establishing a new passenger terminal to boost its capacity to 14-16 million passengers annually. The airport will also undergo several refurbishment and maintenance projects in order to meet international safety and security requirements and standards.

Over the coming four years, the jet fuel reservoirs will be relocated from their present location in the residential area of Arad to an alternative site inside Bahrain International Airport. Moreover, the Government will construct a general aviation building and aircraft hangar at the airport, thereby creating new job opportunities in the sector

In the coming four years, the Government will conduct a comprehensive study to identify the optimum location of this new facility, as well as different financing options.

Expand King Fahad Causeway

The Government will conduct a comprehensive study to increase the capacity of the King Fahad Causeway in order to meet the significant increase in commercial and passenger traffic. As part of the Causeway expansion plans, the Government will construct two man-made islands to accommodate incoming and outgoing traffic. The Government will also develop inspection yards and a waiting area for trucks in addition to other offices and facilities.

Continue progress toward the GCC railway

In collaboration with the Kingdom of Saudi Arabia and other partners, the Government will explore the optimal technical and financial arrangements to advance the GCC railway project. The Government will also conduct a comprehensive study to determine the most feasible internal route, corridor alignment and entry points of the GCC railway into the Kingdom.

Improve the infrastructure of Khalifa bin Salman Port

The Government will enhance the Khalifa Bin Salman Port to improve port operation and attract major shipping lines into Bahrain (see *Priority 3.6: Achieve genuine diversification*). The Government will assess the feasibility of developing the area neighbouring the port which has been earmarked for expansion. The main approach channel to Bahrain will also be deepened by roughly 15 metres, allowing the accommodation of newer generation vessels with a deeper draught, thus strengthening the Kingdom's international status as a global hub and boosting prospects for local industry

Improve ICT capacity and infrastructure

The Government will upgrade and implement the National Telecommunications Plan, and in coordination with private sector stakeholders, the broadband infrastructure capacity will be upgraded in a phased approach and utilise the latest technologies to increase speed and reliability. The Government will ensure the development of a national broadband network around largely pre-existing fibre-optic cable networks, with the aim to gradually connect the country with fibre optic cables by 2018. In addition, the Government will further enhance the regulations with regards to the development of shared mobile phone masts.

The Government will also put in place a national infrastructure disaster recovery plan to ensure the integrity, availability and protection of critical national ICT infrastructure.





Priority 5.2:
Improve Bahrain's urban transit and road network

Bahrain's streets and highways are under a heavy burden due to rapid population growth and the unprecedented popularity of personal cars, as reflected in one of the highest car-to-person ratios in the world. In order to manage this challenge and reduce the adverse environmental impact of domestic transportation, the Government will continue to develop and improve road infrastructure, while also seeking to develop attractive alternatives to personal cars. This will help reduce congestion and ensure better connectivity in the Kingdom as well as enhancing standards of living for those areas of the country that are less well served by the existing infrastructure.

For new public transportation solutions to work, they must be reliable, functional and accessible. The Government will work to ensure that the improving quality of the Kingdom's public transportation network will not undermine affordability so as to allow a credible and attractive alternative to personal cars to be established. Improving the Kingdom's taxi system is also a high priority for the Government in moving towards a more business and tourist-friendly environment.

With time, the Government will study and implement more advanced options, such as light rail transit or trams, which will further improve service and protect the environment. In order to enhance the capacity and quality of Bahrain's transportation services with maximum speed while containing costs, the Government will seek ways to increase the role of the private sector in service provision. As the Government opens the market to private sector players, regulations and standards will be enforced to ensure high quality and safety.

The Government will prioritise the following specific initiatives to meet these objectives:

Develop an effective and efficient public transportation system

The Government will improve the public transport network, through optimising routes and increasing coverage. The Government will upgrade the capacity and quality of the public bus system in order to provide bus passengers with a higher frequency service, greater reliability and better quality. It will develop a new passenger information system that will provide passengers with up-to-date, real-time information, and will be tested against high quality of service standards.

The Government will appoint a new operator to provide public transport services on a franchise basis on the revised network, in addition to introducing a new bus fleet with high-tech facilities and improvements, making the public transport service accessible to a wider section of the population, including passengers with special needs. The bus network will cover 77% of Bahrain, up from 30% currently and the number of buses will rise nearly four-fold, to 141 buses from 35 currently.

The Government will also upgrade all required supporting infrastructure, such as bus shelters and main bus stations as part of the revamp. Furthermore, the Government will conduct a feasibility study to introduce advanced modes of transportation such as tram, monorail and light rail.

Enhance Bahrain's strategic roads infrastructure

The Government will continue its efforts to expand the road network through a systematic approach and ensure a high quality roads infrastructure, which is safe and sustainable, enhances connectivity and accessibility, mitigates congestion and caters to future estimated demand. The Government will work on strategic road infrastructure projects over the coming four years, including improving intersections, revamping ring roads and improving major highways and avenues.

The Government will continue to revamp Al Mazari'a Avenue in Jasra, where flyover ramps will be built to replace existing ground level traffic lights. Moreover, the Government will develop Shaikh Jabir Al-Ahmad Al-Sabah Avenue, and replace both Nuwaidrat and Alba roundabouts with three-level flyover, underpass and new traffic signals.

The Government will also implement phase 1 of Muharraq's Ring Road, revamp the interchanges with Samaheej and Al Dair, expand the Shaikh Khalifa bin Salman Avenue and develop a second intersection with Shaikh Isa bin Salman Highway. Furthermore, the Government will expand Shaikh Zayed Road by replacing roundabouts with traffic signals, increasing its lanes and building flyovers in order to ease traffic.

Maintain existing road network infrastructure

In addition to building new roads, the Government will also seek to maintain high standards in the existing road network. To maximise mobility within the economy, manage vehicle operating costs and reduce accidents and their accompanying human and property costs, the Government will ensure safe, well-paved and well-marked roads.

Improve village roads

The Government will continue upgrading the required road infrastructure in Bahrain's villages through the construction and pavement of roads, revamping and reconstruction of old and dilapidated roads, the establishment of safe entries and exits to car parks and painting road signs.





Priority 5.3:
Meet the growing demand for utilities

Upgrading the scope, capacity, and connectivity of public utilities will be essential for supporting Bahrain's growth while guaranteeing socially inclusive development. In anticipation of the country's demographic dynamics, the Government envisages substantial further investments to expand Bahrain's power generation and water supply while improving the sewage and drainage network over the coming four-year period. The initiatives in this area will be funded through a combination of Government expenditure, the GCC Development Programme, and a growing range of private funding solutions, including public-private partnerships.

Apart from capacity expansion through new facilities, Bahrain's water and power infrastructure requires continued modernisation of the existing infrastructure. The Government will improve connectivity to the utility infrastructure and increase the reliability and efficiency of distribution networks, thereby managing costs while improving service delivery. The effective use of advanced technologies across the value chain can help minimise the volume of natural gas required to generate the island's electricity needs.

The planned investments in utilities will be undertaken, where possible, in partnership with the private sector. This will involve coordination with large scale players, such as Alba, which have sizable energy requirements for operation. The Government will also explore partnerships with enterprises that have the option to install power generation capabilities within their facilities. In order to manage demand growth, the Government will continue to introduce measures to encourage more sustainable use of electricity and water by promoting efficiency and conservation at all levels, as well as identifying economically viable alternatives to current sources of supply, through developing alternative energy forms, particularly solar energy (see *Priority 6.2: Boosting the efficient use and conservation of power and water resources*).

The Kingdom has made significant headway in producing desalinated water to keep up with growing domestic demand. Further capacity build-up in this area is achieved through investments in increasing the productivity of existing plants, including the rehabilitation of the Sitra power and desalination plant.

Expanding
Bahrain's power
generation and
water supply

The Government will prioritise the following specific initiatives to meet these objectives:

Address Bahrain's electricity requirements

Government owned power generation plants will undergo works for rehabilitation and maintenance in order to ensure continuity of supply and quality and reliability of service. The Government will also continue to cooperate with the electricity & water private sector, mainly Alhidd, Alezzel and Addur, as well as the GCCI interconnected network, to ensure greater efficiency in electricity production. The Government will focus its efforts on developing projects that would increase the available capacity of electricity as well as the reliability of the related transmission and distribution networks.

The Government will reinforce the existing 220kV and 66kV transmission networks and build new 220kV and 66kV primary substations, in order to meet the overloading problem and to meet the normal load demands of new developments, as well as the total load demands of the Government's strategic housing projects.

To eradicate the high short-circuits current and to optimise the transmission capacity to transmit bulk power from the new integrated water and power plant at Addur to load centres across the country, the Government is currently establishing a new high-voltage transmission network operating at 400kV in different locations over the Kingdom, which will subsequently be integrated with the existing transmission network.

Address Bahrain's water requirements

The Government will seek to increase the supply of water and improve the efficiency of its distribution networks through the development of new desalination plants to meet growing demand.

The Government will develop the water transmission network in the Kingdom and focus on strengthening interconnectivity with the various production facilities in the Kingdom to enhance the security of supply and achieve an overall improvement of water quality.

As part of the water transmission development project, the Government will construct a tank with a capacity of 20mn gallons at Hidd Pumping Station, a 10mn gallons tank at the Refinery Distribution Station and two tanks with capacities of 5mn and 2mn gallons at the West Riffa Blending Station.

Improve wastewater treatment capacity

The Government is working towards implementing its National Master Plan for the Sanitary Sector, approved in 2010. As part of the plan, wastewater treatment facilities will be constructed to cover the sanitary needs of new areas and future developments in the Kingdom.

The Government will develop the sanitary network of the Northern Town, which includes the construction of a wastewater treatment plant with the capacity to treat 40,000 cubic meters per day, as well as developing distribution networks.

The Government will develop plants in the South Eastern area and south of Alba, in order to provide water treatment facilities for industrial areas with a capacity to treat up to 2,500 cubic metres of wastewater per day.

The Government will also expand the Tubli Sewage Treatment Plant to accommodate an increased flow of wastewater with an average daily flow capacity of 200,000 cubic meters by 2018. This project will enhance the capacity of wastewater treatment and the quality of the sanitary system throughout the Kingdom.

Enhance the sewage conveyance capacity

The Government is working towards enhancing the sewage conveyance capacity across the Kingdom and ensuring that all new urban developments and residential projects are covered in accordance to its National Master Plan. The Government will develop 126 kilometres of trunk sewers using microtunneling technology across Bahrain.

Connect 98% of the population to the main sewage infrastructure

As part of its ongoing efforts to provide high quality sewage services, the Government is working towards expanding the coverage of its sanitary services to 98% of the population by 2018. In line with its National Master Plan for the Sanitary Sector, the Government will expand the sewage and drainage network to cover the current and future requirements of the Kingdom.

Rehabilitate sewage networks

The Government will rehabilitate sewage networks in different areas of the Kingdom based on level of priority and the deterioration of sewage lines, taking into account further expansion needs to new public housing developments and private sector projects. The plan also targets to reduce surface water infiltration by 25%.

Improve Bahrain's rainwater drainage networks

The Government will work towards resolving rainwater drainage issues and limiting damages caused by rain, through the development of rainwater drainage networks in various areas of the Kingdom.

The Government will carry out studies to find new ways to transport rainwater over long distances or inject it into the ground for desalination and irrigation purposes, in response to the rainwater discharge problem, which has increased in areas that are further in-land such as Riffa, A'ali, Salmabad and Isa Town, where open drainage channels are not available. The studies are expected to be completed by 2015.



Priority 5.4:

Efficient infrastructure planning and coordination

The Kingdom's space and resource constraints put a major premium on efficient planning, which can allow it to extract the maximum economic and social benefit from scarce assets, as outlined in National Strategic Priority 6: *Ensure sustainable development of strategic resources*. The potential of high quality infrastructure can only be realised if it is developed on the basis of effective urban planning. As the population continues to grow and urbanisation rapidly increases, coordination must be enhanced between all entities involved in infrastructure development. Guided by the National Planning and Development Strategy, the Government will continue to make progress in managing the allocation of land and the effective connection of new infrastructure assets to the existing national infrastructure network. This process will be informed by the Kingdom's evolving economic and social needs. Only through focused collaboration can the Government ensure the creation of healthy urban environments and viable commercial centres that are well connected and easily accessible to residents and visitors alike.

The Government will prioritise the following specific initiatives to meet these objectives:

Coordinate operational planning between all infrastructure-related bodies

The Government will coordinate the implementation of infrastructure projects in Bahrain, including the coordination of infrastructure strategies, programmes, projects and the protection of infrastructure assets. The Government will ensure close alignment amongst all the parties involved in large-scale developments including developers, contractors and entities such as the Ministry of Municipality Affairs and Urban Planning, Electricity and Water Authority, Ministry of Works, Ministry of Transportation and Telecommunications, Ministry of Housing and the Survey and Land Registration Bureau.

Enhance the spatial and infrastructure data

The Government will improve spatial and infrastructure data to facilitate informed urban planning and investment, sustainable development and the effective implementation and maintenance of all infrastructure projects.

This includes developing a new 3D enabled spatial data model of the Kingdom. The 3D model will produce intelligent data enabling effective analysis, decision-making and greater consistency in data distribution and dissemination. The Government will transform the current geospatial database to an object based data model to support full geometric representations in 3D.

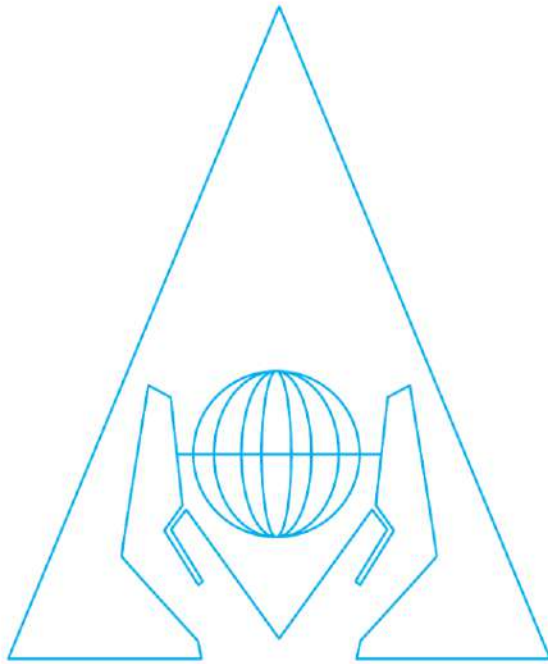
The Government will also conduct a comprehensive survey on underground utilities in Bahrain in order to enhance infrastructure planning. The availability of such data will enable all relevant stakeholders to make efficient and cost-effective decisions for future utility instillation and relocation projects, as well as other key infrastructure and investment projects, particularly the housing development programmes.

In order to enhance planning and support the effective implementation of infrastructure projects, the Government will ensure that all relevant stakeholders have access to timely and accurate geospatial data by developing an integrated open web service, where on time geospatial data will be shared and distributed to all eligible stakeholders.









National Strategic
Priority 6:
Ensure sustainable
development of strategic
resources

Ensure sustainable development of strategic resources

6

Efficient production and consumption of electricity and water needs

Secure Bahrain's food requirements and ensure mitigation of disruptions in supply and price volatility

Sustainable, diversified and secure sources of energy

Enhance efficiency of land use through targeted land allocation

Securing the wellbeing of future generations

Safeguard Bahrain's natural environment and biodiversity



Advancing the well-being of Bahrain's population without jeopardising the prosperity of future generations is central to this strategy. As the Kingdom tackles the challenges and seizes the opportunities of today, the Government must clearly understand the longer-term implications of its decisions. In particular, it has to act in ways that ensure social, environmental and economic sustainability over the long run.

The focus on sustainability is of particular importance for Bahrain given the significant – and increasing – constraints that the economy faces with respect to critical resources, such as water, food, energy and land. In each of these areas, the Government will seek to extend the lifetime of its limited endowments by increasing the efficiency of production, while simultaneously working to reduce waste and promote sustainable consumption. This will require the effective use of technology and smart allocation decisions by the Government on the supply side. The Government will have to address the demand constraint through education, awareness-building and new technologies designed to ensure efficient distribution and consumption. It will also have to tackle pricing mechanisms as they offer an opportunity to incentivise more efficient use and conserve resources. Successfully managing the trade-offs created by these resource constraints and the Kingdom's



Priority 6.1 Making the most of the Kingdom's energy resources

The pressure on Bahrain's national energy resources is increasing rapidly due to the demographic and economic growth of the Kingdom. While residential demand accounts for roughly half of the entirely gas-powered demand, hydrocarbon resources also remain critical for the Kingdom's necessary economic diversification, in particular for the development of the highly economically-significant manufacturing sector. In view of these trends, it will become increasingly critical to diversify Bahrain's sources of energy in order to provide for citizens, fuel economic growth and continue to build Bahrain's status as an attractive and reliable destination for global and regional firms. However, this diversification must be coupled with continued efforts to comprehensively assess and further develop Bahrain's hydrocarbons assets to ensure the maximum economic benefit during their lifetime.

Enhancing the long-term sustainability of Bahrain's hydrocarbons

Bahrain's domestic supply of energy is currently dependent on two key oilfields and one gas reservoir, which have powered the economy for several decades and which are now nearing a relatively advanced stage of depletion of the known reserves. With this in mind, the Government will work to enhance the long-term sustainability of Bahrain's supply of hydrocarbons. This will be achieved through a combination of enhanced recovery techniques from existing reserves, as well as exploring alternatives to the current sources of supply. A review of a range of extraction techniques is underway in the onshore Awali (Bahrain) field, and the Government is initiating work on exploratory drilling for deep gas in the Khuff reservoir. New onshore and offshore areas will be studied to establish their potential.

The Kingdom's efforts to extract more value from its natural endowments has to go hand in hand with a pursuit of alternatives to ensure the security of supply in the years ahead. Bahrain will enhance its energy security by constructing a liquefied natural gas (LNG) import terminal, equipped with storage and regasification facilities. As an important step toward the further development of the downstream hydrocarbons sector, the Government will work in close collaboration with Saudi Arabia to develop a Saudi-Bahrain pipeline that will increase the delivery of crude oil to the Bapco refinery.

The Government will prioritise the following specific initiatives to meet these objectives:

Expand oil and gas exploration

As part of its effort to increase oil and gas supply, the Government will continue its constant exploration for oil and natural gas throughout various parts of the Kingdom, along with the usage of different techniques to help the exploration process.

The Government will continue to advance activities under the Exploration and Production Sharing Agreement that was signed with Occidental of Bahrain Deep Gas (Oxy) in 2011 to explore for deep gas. The project will explore for commercial gas resources in pre-Khuff reservoirs at depths of about 15,000-20,000 feet, with three planned exploratory wells, the locations of which will be selected based on the currently ongoing geological, geophysical and engineering studies.

Increase efficiency and modernise technology used in oil and gas extraction

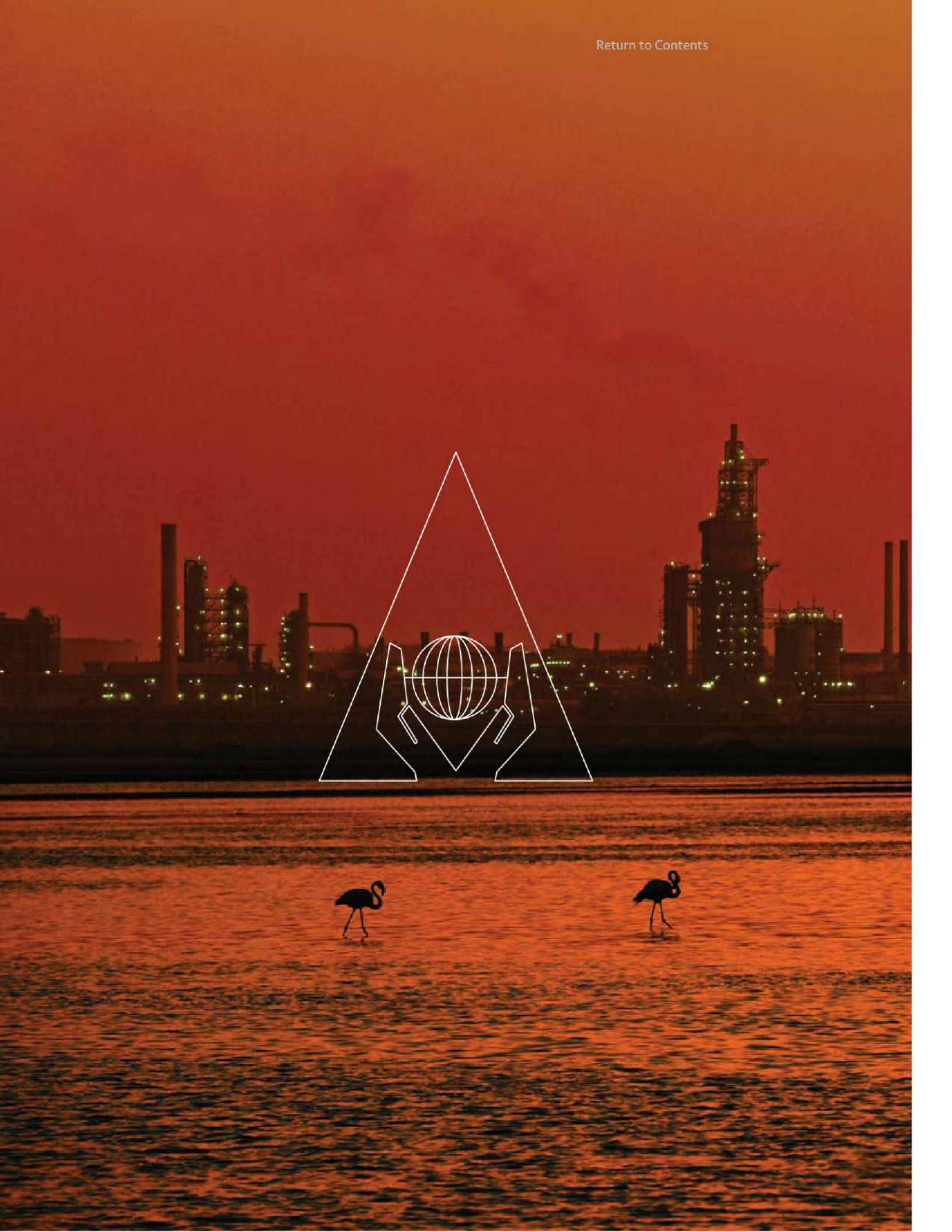
As part of its efforts to increase the efficiency levels of the current oil and gas processes, the Government will use modern methods for the production and distribution of oil and natural gas. Some 3,600 developmental wells are due to be drilled under these improved conditions.

Construct liquefied natural gas (LNG) import terminal

As part of the Government's long-term energy strategy to import LNG to supplement domestic gas production, a site has been allocated for LNG Import Terminal on the Northeastern side of the Kingdom. The terminal is planned to be in-service by 2017. The project will be developed, owned, financed and operated by a joint venture project company, on a BOOT (Build, Own, Operate, Transfer) concession.

Build the Saudi-Bahrain pipeline

Bahrain Petroleum Company (Bapco) is working in close cooperation with Saudi Aramco to build a new pipeline, which will have an operating capacity of 350,000 barrels per day, from the current capacity of 230,000 barrels per day. The project is expected to become operational in 2017.





Priority 6.2:
Boosting the efficient use and conservation of power and water resources

Meeting the Kingdom's electricity and water needs, while ensuring the sustainability of these resources, requires ongoing rationalisation of the ways in which these resources are utilised. The Government will continue to lead efforts to boost power and water conservation while minimising waste. Greater education and awareness will be coupled with ongoing efforts to explore more economically efficient and socially fair pricing as well as the use of conservation-oriented technologies. In order to capitalise on the opportunities created by resource conservation, the Government will work to encourage the local provision of the relevant technologies. Similarly, more will be done to foster innovation in this critically important area.

Beyond broad policy initiatives, certain sectors of the economy offer particular opportunities for resource conservation. The housing and construction sector is an area of particular focus due to the opportunity of using regulatory and technological changes to achieve significant impact. The large scale of ongoing and planned building projects allows the alignment of the Kingdom's physical infrastructure to build-up along with meaningful efforts to foster energy conservation. These improvements will set the Kingdom on a more sustainable path by reducing long-term energy use.

Another important area for efficiency gains is the agricultural sector, currently the largest consumer of water per unit contribution to GDP. More efficient water resource management will allow the Kingdom to protect its natural freshwater ecosystems more effectively, both by safeguarding water reserves and by protecting the natural environment. Protecting freshwater supplies requires careful monitoring of the Kingdom's aquifers and ensuring their safety from illegal underground water extraction.

Recognising and capitalising on international trends, the Government will continue to develop alternative sources of energy, most notably solar and wind. It will encourage experimental provision and explore ways of integrating elements of alternative generation as an element of conventional infrastructure projects. Similarly, the Government will explore new opportunities to encourage technologies, such as solar panels, at the level of individual users. Regional integration opens up new opportunities for benefiting from new alternative supply sources, such as nuclear, elsewhere in the GCC.



The Government's priorities in this area will be addressed through the following initiatives:

Improve efficiency and minimise wastage in the distribution of utilities

The Government will increase the efficiency of electricity and water networks by investing in newer and highly efficient smart metering and modernising control systems (see *Priority 5.3: Meet the growing demand for utilities*).

Introduce electricity and water conservation measures to minimise waste and focus consumption

The Government will take measures to ensure that the nation's electricity and water usage is sustainable. Greater education and awareness campaigns will focus public attention on the importance of managing electricity and water consumption and minimising waste. The Government will also work towards more effectively coordinating its efforts in the preservation of the Kingdom's energy resources. The Government will review the pricing policies of water and energy to support the efficient industrial use of utilities.

Improve energy efficiency in buildings

The Government will maintain its efforts to improve the energy efficiency of all new buildings through the review of current legislations and the adoption of appropriate energy-efficient building standards. The Government will ensure that all new construction will focus on increasing the level of energy efficiency through smart design requirements and improved insulation as well as the use of more energy-efficient building materials and appliances. The Government will also ensure that all technological imports and building materials meet high standards of energy efficiency, as well as adopting new technologies and initiatives such as district cooling and setting minimum energy efficiency performance standards for electrical appliances and equipment.

The Government will review the latest international innovation in green buildings, test their applicability to Bahrain and apply them where possible, while also improving upon them to better meet the unique challenges of energy efficiency in this climate.

Ensure efficient energy planning

In order to provide essential electrical energy planning for the existing and coming generations, the Government will ensure the coordination of all electrical energy stakeholders in the Kingdom to provide a continuous assessment of the current demand and supply of electrical energy, better manage electrical energy and plan for the future based on forecasted needs.

Accordingly, the Government will update and develop the existing Electricity and Water Master Plan for the years 2015-2030 to include a study of all electricity and water production and transmission facilities in order to meet the future requirements of the country.

The plan will also include the preparation of a feasibility study for renewable energy in Bahrain and will assess the optimal energy mix to power Bahrain's electricity and water needs.

Increase water conservation in agriculture

The Government will help Bahraini farmers and agricultural stakeholders to ensure they are utilising water in the most efficient way possible by supporting the adoption of conservation measures, such as increased use of treated water, new technologies for water management and the promotion of efficient farming technologies, like hydroponic farming. These measures include the proper design of on-farm water distribution and drainage, the engineering of water canals and recycled water systems and the introduction of increased water-conservation technologies.

The Government will also review the legislative and regulatory framework to ensure the efficient use of natural resources and modernise the surveillance systems of measuring and monitoring water to guarantee progress in this initiative.

Identify alternative sources of renewable energy to meet growing demand

The Government has already conducted an initial feasibility and assessment study for renewable energy technology focused on wind and solar power and the ability of these alternative sources to contribute to Bahrain's power needs. Currently, the Government is working to establish a pilot power plant that will generate 5MW from solar and wind technologies, and it is likely to become operational by early 2016 .



Priority 6.3: A high level of national food security

As a country that is critically dependent on imported food, the Kingdom will develop a holistic strategy for ensuring that its food requirements can be met on an ongoing basis. Similarly, the strategy will mitigate the impact of disruptions in supply or volatility in prices. To this end, the Government will pursue a food security programme that maximises the range of options for sourcing all key food supplies. The Government will achieve this through a two-pronged approach. On the one hand, it will continue to develop and modernise the domestic agricultural sector and fisheries. At the same time, it will continue to enhance the international supply network.

The ongoing efforts to revitalise the domestic agricultural and fisheries sector in Bahrain are important in both economic and social terms. The introduction of new techniques can be used to boost efficiency and yields while minimising water consumption. At the same time, the development of local production can be used to generate new employment opportunities across the food value chain. The Government will concentrate its efforts on encouraging economic efficiency and genuine entrepreneurship in agriculture through new value creation. The Government will also work to stimulate aquaculture on an economically sustainable basis so as to further the revival of the historically significant fisheries sector, which remains an important and valuable indigenous source of food. Focused effort in this area will also ensure the sustainability of indigenous aquatic species and habitats. The Government will continue to explore and test new production and processing methods in Bahrain, as well as advancing research and development in agriculture and food production.

While the strength of Bahrain's domestic agriculture sector is important to both our food security and our socio-economic advancement, a resilient food security programme in Bahrain must recognise and incorporate international sources of supply. It is imperative that the Government safeguard and develop its existing and potential external food supply channels. This will maximise options in terms of type and quality of food, as well as enabling the Kingdom to manage risks of weather and market variations. The range of options should encompass Bahraini investments into productive assets internationally, as well as strategic relationships with numerous external suppliers and a full range of traditional trade ties with international producers.

These priorities and activities will be addressed through the following initiatives:

Encourage investments in the domestic agricultural and fisheries sectors

The Government will initiate programmes to increase food security locally by encouraging private sector investment in the agricultural and fisheries sectors through rigorous agricultural land use planning, updating the current regulatory and legislative framework, as well as facilitating the private sector's access to funds.

The Government will continue to offer a range of support programmes to Bahraini farmers, fishermen and other food producers. It will train and support Bahraini entrepreneurs seeking to establish sustainable businesses in the agricultural sector through Bahrain's Agricultural Incubator. The Government's support will help farmers into higher value products, such as fruit and vegetables, as well as organic produce and aquaculture. The Government will work with various institutions such as Tamkeen, Bahrain Development Bank, and Ebdaa Bank to fund these projects and to build and develop human capacities in order to support entrepreneurs

Ensure the Kingdom's ability to mitigate the impact of supply shocks and price volatility

The Government will improve monitoring and detection capabilities of the global market information systems for basic food items, in order to better manage international supplies and improve decision-making capacity and will continue to expand its pool of suppliers, allowing greater flexibility to ensure the maximum value for purchases. This is necessary to ensure availability of adequate food stocks and mitigate the impact of supply shocks and external market price volatility for agricultural products.

Ensure agricultural and animal healthcare

The Government will continue to control animal and plant diseases and the promotion and protection of agricultural health through efficient and reliable monitoring, control and prevention measures, which are essential components in achieving food security and safeguarding human health.

Encourage and work with the private sector to invest in agricultural lands abroad

Besides its efforts to achieve food security locally, the Government will encourage the private sector to invest in agricultural lands abroad to dampen exposure to fluctuations in food prices.

Preserve marine resources and fisheries

The Government will ensure the sustainability of marine resources and fisheries by developing and implementing laws to preserve these resources, increasing the production of fish through fish-farming, supporting the fishing sector and providing fishermen with the necessary facilities to support the conservation of natural habitats.





Priority 6.4: Coordinated and effective land use

In the face of rapidly growing demand, the Government must ensure that the Kingdom utilises its limited endowment of land to the maximum socio-economic benefit by continuing to boost the supply of land for development through rezoning and reclamation. The Government will increase the efficiency of land use through enhanced urban planning and the utilisation of technologies designed to increase the density of construction. Urban planning will play a key role in ensuring that urban spaces are well designed and properly integrated so as to achieve high efficiency while ensuring functionality, liveability, and attractiveness.

The Government will strengthen monitoring and enforcement mechanisms to ensure that scarce land is used in accordance with well-defined procedures. To better oversee and manage land use, coordination will be enhanced across the Government. Effective communication between all Government entities and external stakeholders will be used to ensure that land allocation decisions are aligned with Bahrain's strategic priorities. The development of geospatial data, including topographic maps and sand reserves, will provide more information in order to ensure efficient decisions on land use and land reclamation activities.

In recognition of environmental considerations, the Government will take all the appropriate measures to preserve Bahrain's natural environment in connection with land reclamation. The adverse impact of reclamation on animal and plant habitats will be compensated wherever possible. Given the high cost of reclaiming land, the Government will use these new land resources to encourage economic activities that are aligned with strategic development priorities and have the potential to significantly enhance value. At the same time, the Government will, in some cases, encourage greater density and vertical development.

Bahrain's social and economic dynamism requires the Government to effectively manage the Kingdom's urban development in order to achieve its social, economic and environmental objectives. The Government will therefore develop an appropriate regulatory framework to facilitate the operation of efficient and equitable land and real estate markets, while also working towards further increasing the level and transparency of information about land utilisation and markets.



The following specific initiatives over the next four years will be prioritised to achieve these objectives:

Ensure the effective implementation of the National Planning and Development Strategy (NPDS)

The Government will collaborate with the responsible bodies to review and update the NPDS and ensure its implementation by developing detailed plans for each Governorate, as well as zoning maps for buildable locations and control.

The Government will also institute an audit process, in coordination with all the relevant Government entities, in order to ensure that zoning and development regulations are implemented and enforced appropriately.

Enhance Bahrain's industrial land management

The Government will ensure that the planning and allocation of land is in line with the National Planning Development Strategy and the economy's strategic diversification approach (as outlined in *Priority 3.6: Achieve genuine diversification*) favouring industries that increase Bahrain's exports, focus on Bahraini employment, improve productivity and add value. To this end, the Government will encourage high density value adding industries which require relatively small plots, limited access to energy and which will provide sustainable growth. The Government will also develop the agricultural sector in this regard, specifically assessing the feasibility of vertical farming.

The Government will adopt a revised, highly-selective policy for land planning and allocation, informed by economic and sector studies and forecasts. The Government will aim to improve the selection and evaluation procedures for land allocation, as well as the relevant pricing policies, to ensure optimal utilisation of the Kingdom's land resources.

Enhance land reclamation planning

In order to achieve long-term resilience in land reclamation planning, the Government will enhance the national database for coastal sand resources by conducting coastal sand dune surveys. This will enable sand reserves in the Kingdom to be measured, and will identify areas where there is an adequate supply of sand necessary for land reclamation activities.

Enhance the Kingdom's topographic maps

The Government will continue to incorporate new infrastructure developments in topographic maps through the provision of efficient and timely surveying services.

The Permanent Reference Network (PRN) will be upgraded to increase its reliability and accuracy. This includes the installation of GPS reference stations across the Kingdom to provide instant accuracy to the nearest centimetre, thus enhancing land use and infrastructure planning.

Regulate the real estate market

The Government will develop a dynamic regulatory environment with regard to the real estate sector while ensuring that all stakeholders' interests are protected. This includes reviewing the existing legislation as well as developing new laws, policies and regulations to ensure well-functioning land and real estate market. The Government will also work on developing solutions to the stalled real estate projects in the Kingdom. In addition, training programmes will be developed to equip real estate practitioners with the necessary skills and qualifications to attend to the sector's growing needs. Moreover, to enhance transparency, the Government will ensure access to up-to-date market information regarding real estate prices, transactions, and other important data.



Priority 6.5: A protected natural environment

Bahrain is an island Kingdom characterised by a unique natural environment and rich biodiversity. A clear commitment to safeguard Bahrain's natural environment is an important element of fostering sustainable development to the benefit of all, including future generations of Bahrainis. Environmental protection is a key precondition for safeguarding the health of the population. Beyond this, efforts in this area will help secure an attractive living environment characterised by diverse leisure options to the benefit of residents and visitors alike. By working to protect Bahrain's environment, the Government can also unleash significant socio-economic development opportunities, for instance new employment in the tourism sector.

Increasing citizen awareness of the importance of the environment in a number of ways will be a key pillar of the Government's preservation strategy. Efforts in this regard will focus on raising the profile of environmental issues and ensuring that the environment is a high priority for the Government, the private sector and Bahraini citizens and residents alike. Protecting the environment and the natural resources of a country as small as Bahrain will be increasingly critical as the population grows. Therefore,

efforts must be taken to reconcile the needs created by the growing population on the one hand, and ecological sustainability on the other.

In addition to raising awareness, it is crucial to ensure that existing policies and laws are respected. Better enforcement will be achieved through the development of new and more frequent controls, more rigorous inspection and monitoring systems, and better assessment of environmental impact for any new project development. The Government will also continuously revise and update the legislative framework regarding environmental issues to keep pace with new developments.

In order to preserve Bahrain's natural heritage for future generations, the Government will continue to develop a formal framework and strategy for the protection and preservation of Bahrain's natural environment and priority assets that are particularly threatened. The Government will also further its efforts in the areas of water conservation and waste management, as shown in *Priority 6.2: Boosting the efficient use and conservation of power and water resources*, in order to improve air and water quality, thereby further protecting Bahrain's biodiversity.

The Government will also explore ways to increase private sector involvement in environmental preservation. These methods can include strategic partnerships between public institutions, the private sector, civil society organisations and international non-governmental organisations (NGOs). These partnerships could be used for initiatives such as installing energy-efficient street lights or recycling waste in ways that minimise socio-economic and environmental costs.

The following specific initiatives over the next four years will be prioritised to achieve these objectives:

Develop and implement national environmental policies and strategies

The Government will ensure the effective implementation of the necessary environment policies and strategies through continuous monitoring and assessments of the environmental impact of economic activities. The Government will ensure frequent inspections of natural sites, particularly important for wetlands such as coastal areas that are in danger of destruction, and assessments of new development projects during the planning stages.

The Government will also update the current procedures and legislation in order to streamline the monitoring, evaluation and enforcement process.

Protect and manage the Kingdom's biodiversity

The Government aims to provide all natural habitats and terrestrial and marine flora and fauna with greater protection through strengthening and enforcing current legislation and ongoing environmental impact assessments.

The Government will increase the network of biodiversity-managed protected areas, recover critical and sensitive lost biodiversity areas, protect key species in their natural distribution range and restore the population of threatened species through captive breeding for animals and nurseries for plants.

The Government will also support greening and reforestation projects. In particular, the Government will prioritise projects related to the protection of coastal and marine reserves, two of Bahrain's defining natural assets.

Reduce toxic gas emissions by utilities, industries, and other sources

Steps will be taken to reduce gas emissions from industries, power plants and transportation vehicles. Inspection and monitoring capacities will be further strengthened to ensure that industries restrict their emissions within the necessary limits. The Government will also gradually introduce and promote clean fuel utilisation for transportation vehicles.

Additionally, several studies will be carried out to determine air carrying capacity for different areas in Bahrain and analyse where the violations take place. As a result of these studies legislations will be updated and standards will be reviewed.

Minimise the environmental impact of harmful waterfront reclamation activities

Recent growth and developments in Bahrain have led to increased reclamation and dredging activities that have negatively affected the marine environment. Therefore, the Government will review and strengthen existing regulations on reclamation, dredging and sand-washing in order to minimise its harmful impact on the Kingdom's marine environment, including the Kingdom's fish stock and coral reef communities.

Develop an integrated and sustainable municipal system for waste management

In coordination with relevant entities, the Government will develop an integrated and sustainable municipal waste management system, in order to minimise waste and improve recovery of materials. The Government will ensure the utilisation of the latest technologies for the collection, separation, transfer, treatment and disposal of waste, as well as assess the potential for waste-to-energy projects, thereby achieving sustainability of waste management.

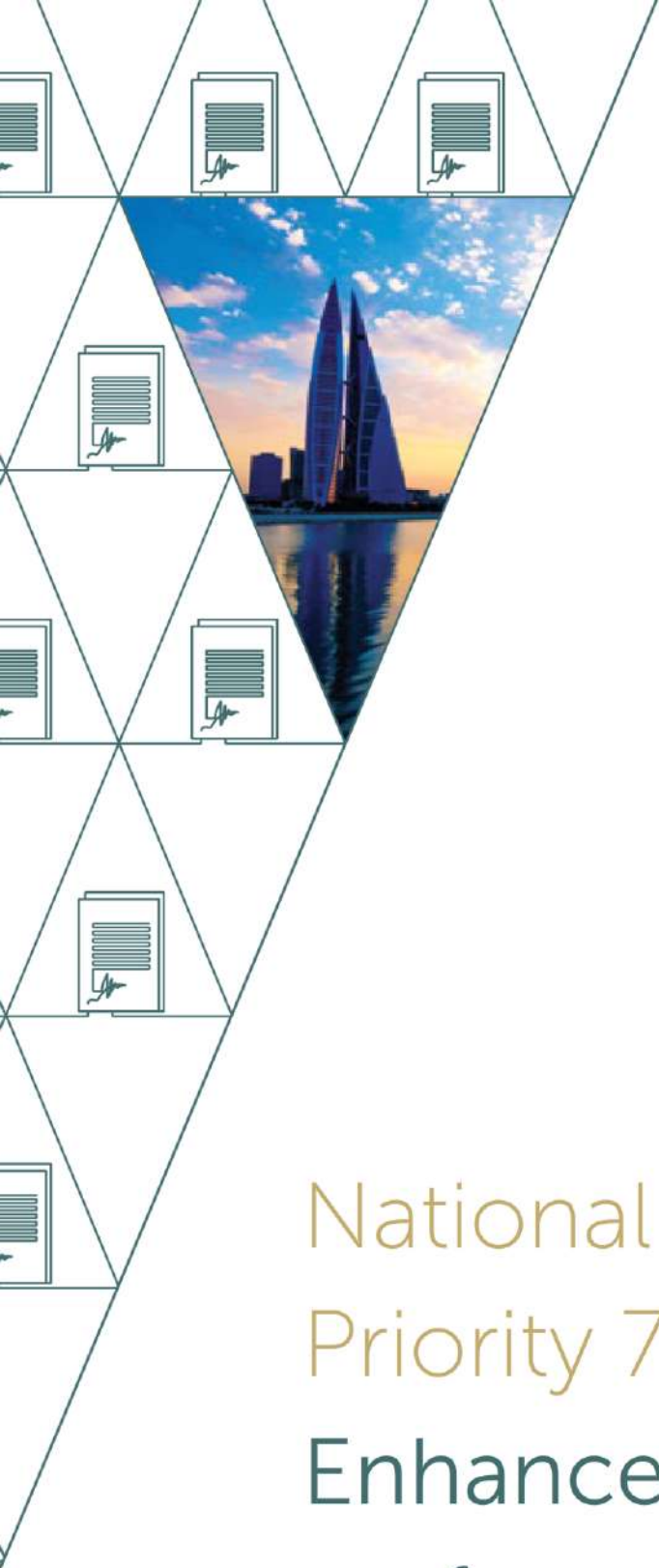






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National Strategic
Priority 7:
Enhance Government
performance and
efficiency



Government performance & efficiency



7



Effective strategic planning



Efficient human resource management



Effective regulation



Enhanced service delivery



Accountability and transparency



Enhanced communications and media



Effective foreign affairs



Fair justice sector



An enabling government

Bahrain is a growing, demographically dynamic economy undergoing a historic process of diversification. This will place rapidly mounting demands on Government services. However, the Government needs to become more efficient in the face of mounting fiscal constraints and a competitive regional landscape. In order to anticipate and prepare for these challenges, the Government is committed to strategic planning. This structured, evidence-based process is in turn aligned with the preparation of national budgets to allow for the most effective use of the Kingdom's resources.

In the years ahead, the Government will continue to improve its performance through leaner organisation and streamlined procedures. By improving public sector management, the Government can conserve fiscal resources while improving the quality of services to citizens. New technologies will be adopted where possible to enable the Government to perform its tasks better. Throughout, customers must remain the primary focus of all Government organisations and their evolving needs must be met with minimal complexity and bureaucracy.

To this end, the Government will conduct a systematic review of all its key service delivery processes in order to ensure timeliness and quality. An effective public sector must prioritise its key productive asset – its human capital – and recruitment will therefore be linked to fact-based workforce planning. Appropriate incentives will be established to attract and retain top talent, reward good performance, and link career progression to ongoing training.

A comprehensive, fair and efficient regulatory system is needed for a business-friendly environment and maximising the growth potential of the local economy. The Government will continue to improve its regulatory infrastructure and practices in order to meet the needs created by Bahrain's socio-economic dynamism and an increasingly competitive external environment.

An efficient Government operates on the principles of transparency and accountability. To this end, citizens will be further empowered to monitor the Government's work and to hold service-providers accountable for the administration of public resources. More will be done to solicit and incorporate citizen feedback on public sector operations. Simultaneously,



steps will be taken to enhance national and global communications in order to build awareness of the Government's work. This will enhance Bahrain's reputation internationally as well as strengthen an environment of predictable policy making and good governance.

Priority 7.1:

High quality strategic planning and policy-making capacity

The efficient administration of the Kingdom's national resources and the organisation of the Government's work in Bahrain is anchored by strategic planning. Formal coordination is especially critical for the management of initiatives that require collaboration from multiple entities. The success of these projects depends on clearly defining the roles and responsibilities of each stakeholder, as well as on placing specific initiatives within the broader context of the Kingdom's national strategic priorities. To this end, this National Development Strategy aims to organise and drive stakeholder cooperation and to align the objectives of individual public sector entities with the priorities of the nation as a whole. The strategic planning work will be coordinated with the budgeting process so as to communicate shared objectives to stakeholders and achieve maximum organisational efficiency.

In order to guide the implementation of the national strategy, the Government will set National Performance Indicators to measure the performance of the Kingdom as a whole and assess the wellbeing of its citizens. In addition, the performance of individual public sector entities will be monitored on an ongoing basis.

The capacity of the Government to formulate quality policy decisions will be a key area of focus. Resources in this area will be further enhanced through the introduction of an advanced statistical system and ongoing efforts to boost capacity for economic analysis and forecasting. Quality data and analysis will be used to assess the potential impact of policy decisions and to guide the Government's efforts in choosing the appropriate measures required to meet the Kingdom's ambitious targets.

To achieve these objectives, the Government will prioritise the following specific initiatives over the next four years:

Develop a comprehensive framework for National Key Performance Indicators

The Government will develop unified national targets to measure the key performance indicators of Government institutions, support decision-making and boost competitiveness.

Strengthen statistical capabilities within Government

The Government will work to enhance the production, integration and dissemination of data to support the decision making processes within Government. To achieve this, the Government will develop a comprehensive plan to improve Bahrain's statistics, over a period of 5 to 10 years. As part of this plan, the Government will conduct a comprehensive review of the legal and institutional framework of the national statistics system, as well as its infrastructure and user and provider relations.

Additionally, the Open Data Platform will be improved in order to disseminate datasets from Government institutions in easily manipulable formats such as spreadsheets and to increase the availability of data to the public.

In order to enhance the quality of available data, Government will harmonise datasets to improve accuracy and cohesiveness. The Government will also utilise new technologies to enhance data capturing, storage, sharing and analysis. Training and development programmes will also be established in the area of data collection and analysis in order to improve technical resource management and information exchange.

In order to enhance data integration across all areas of government, the Government will ensure that all government entities whose services, activities, or core business requires access to the national population database are afforded with such access. Clear standards will also be developed to automate access to data and improve the level of cooperation and coordination between data-producing government institutions.

Strengthen policy development and strategic planning within Government

A clear policy-making process will be identified in order to support decision making in Government, while ensuring that it is linked to proper research, data gathering and analysis. In order to support the national and sectoral policy-making processes, evidence-based analysis capabilities of Government institutions will be enhanced to measure the impact of such policies on the economy.

Government entities will also continue to develop medium term strategic plans which will be formally reviewed every two years to coincide with the Kingdom's budget cycle, as strategic plans will be directly linked to budgets. The Government will provide the necessary toolkits to all entities regarding strategic planning and budget preparation, alongside training programmes for the usage of such toolkits.

Reviewing the Government's organisational structure and procedures



The Government will also enhance strategic manpower planning in the public sector in order to align the needs and priorities of government organisations with those of their workforce, and to ensure the availability of human resources of the right kind, at the right time and in the right place.

Moreover, in order to empower civil servants at all levels in Government, the Government will provide policy-making and strategic planning programmes for key people identified by the institutions.

Priority 7.2: Efficient public administration and human resource management

The Government will undertake a number of initiatives to boost the effectiveness of its civil service through training and structural reforms. Among these initiatives are a full review of the Government's organisational structure and procedures with a view to matching available resources with the specific needs of particular Government entities. The Government's human capital will be developed through clear career progression plans and succession management programmes designed to identify and place qualified personnel in leadership positions. This will build institutional capacity and minimise the impact of staff transitions on operational effectiveness. The Government will pay particular attention to the training needs of civil servants in specialised functions within Government.

To achieve these objectives, the Government will prioritise the following specific initiatives over the next four years:

Review the Government's organisational and administrative arrangements

The Government will develop a framework to deliver leaner, more efficient government structures and processes with the objective of identifying and reducing redundancy within Government. Additionally, the Government will identify functions and services that can be performed more efficiently by the eGovernment or the private sector, particularly through performance-based contracting.

Improve civil service recruitment and career development processes

The Government will review and streamline the processes relevant to civil service recruitment, promotion and career development, in order to attract and retain critical talent effectively.

Enhance human resources service delivery across Government organisations

The Government is continuously striving to improve Human Resources in the public sector. As part of this effort, Human Resources will be provided through a shared services model, which will lead to a more efficient and streamlined approach with improved and simplified administrative procedures. Additionally, the Government will develop various ICT programmes to streamline human resource service delivery, and will deliver training programmes to develop the capacity of employees working in human resources. The Government will also work towards introducing a civil service performance management framework by developing a performance appraisal system which links performance to the distribution of rewards and recognition.

Continuously improve the quality of training programmes

The Government is committed to improving the quality and availability of its training programmes for civil servants, in order to strengthen the link between skill acquisition and career progression in different levels of the civil service. In addition, the Government will be more proactive in identifying the training courses to be provided to meet the requirements of civil servants. Furthermore, the Government will develop an employee guidance programme targeting new employees.

Institute leadership development and succession management programmes

In order to prepare a succession plan for management level public sector employees, the Government will continue to provide leadership programmes to promote the development of leaders at different levels across the civil service.

The Government will also prepare special programmes to discover executive leaders and develop succession management capabilities. Future posts, likely vacancies and potential successors will also be identified to ensure that when succession occurs, the required quality and readiness of successors is assured.



Priority 7.3:

Effective regulation that enables development and protects consumers

Establishing an effective and fair regulatory environment is one of the key functions of Government. Regulation is needed to create a conducive environment for investment while protecting the rights of consumers. The Government will ensure that comprehensive regulations for sustainable development are in place across all sectors of the economy while continually strengthening a regulatory infrastructure which is recognised by the World Bank as second in the Gulf Cooperation Council and near the top quartile globally.

In order to provide a competitive business climate, attract investment and ensure a fair market for all, regulations must meet global standards and be clear, comprehensive and predictable, as outlined in *Priority 3.2: An enabling environment to deliver sustainable growth*. The Government is committed to an ongoing review of laws and regulations with a view to ensuring that they are appropriate while also using regulatory reform to enable and drive development in new and emerging areas of the economy.

In order to meet the evolving needs of the economy, regulators must continuously monitor the impact and effectiveness of regulations and stand ready to update them when necessary. This will require the establishment of appropriate regulatory guidelines as well as capacity building in the area of drafting laws and regulations. The Government will further ongoing efforts across all public sector entities to subject any proposed regulations to appropriate impact analysis in order to ensure that they can achieve the desired objectives.

The Government also recognises the importance of developing appropriate consultation mechanisms for understanding the needs and views of a wide range of stakeholders, including citizens, investors and the regulated entities. The Government will encourage the participation of the public and stakeholder groups in the development of new regulations and, with this in mind, will further improve the processes for public consultations.

Timeliness and efficiency are hallmarks of quality regulation. Regulated entities have the right to expect timely responses to their requests and queries and provisions must be put in place to achieve this. The mechanisms for explaining and interpreting regulations should ensure that answers to queries are made publicly available for the benefit of all.

The effectiveness of regulation is to a large extent determined by their enforcement in a fair, efficient and timely manner. The Government will expand its supervision and enforcement capabilities with the objective of ensuring timely compliance with laws and regulations.

Achieving excellence in supervision and enforcement requires human and financial resources. With this in mind, the training and development of officers will be enhanced. The Government will apply best practice global models of self-financing regulatory entities to the Kingdom where appropriate.

Improve the quality and consistency of regulation

The Government will ensure the quality and consistency of regulation through promoting best practice processes and setting internationally recognised standards to monitor quality, regulate access to markets (where applicable), ensure fair competition in the marketplace in order to protect consumer's interests and enhance safety, health and environmental conditions, among other appropriate regulations. Such regulatory arrangements will be extended into all economic activities in order to address current regulatory gaps.

Improve enforcement through increased inspection and stronger consequence management

Government institutions which have regulatory responsibilities will be required to review relevant enforcement processes to ensure that regulations and policies are being adhered to. Government entities must ensure that enforcement of policies and regulations are conducted on a regular and non-discriminatory basis and that enforcement staff adhere to the strictest standards of professionalism, whilst avoiding inefficient procedures.

Furthermore, the Government must enable regulators to act and to penalise entities which violate regulatory requirements. Enforcement of regulations must also be done in a timely manner to discourage further violation.

The Government will strengthen its inspection and monitoring regime to ensure that all businesses comply with the regulations required to keep their commercial registrations active, and will take steps to sanction or terminate the registration of violating businesses.





Priority 7.4:

Enhanced services through process reengineering and modern technology

Technological advances are profoundly changing the way governments around the world deliver services to citizens while also greatly improving organisational efficiency within the public sector. Advances in information technology must be leveraged to improve the timeliness and quality of Government service to the public and to reduce costs.

In order to successfully capitalise on the latest technology, the Government will improve both its infrastructure and its service procedures. The Government will focus on creating systems to enhance communication within the public sector while ensuring security standards are upheld or further improved.

To achieve these objectives, the Government will prioritise the following specific initiatives over the next four years:

Develop the Government's IT infrastructure

The Government will continue to invest in the development of high quality IT infrastructure to ensure it is modern, resilient, adapts the latest access technologies and is compatible across all Government systems.

Improve the quality and efficiency of Government services

As part of the service enablement strategy, the Government will continue to enhance existing procedures and services, as well as introduce additional ones through electronic channels. The Government will enhance the eGovernment Portal in order to improve its user experience and increase service uptake.

As mobile phones are the prevalent platform across various segments of Bahraini society, the Government will enhance the mobile gateway to enable e-Government and the proactive delivery of mobile services. Furthermore, the Government will focus on enabling foundational elements such as eLaws and eRegulations to deliver high quality, transparent eServices to all end users.

The Government will also enhance the user experience of online services by defining and managing all Government services online through the online Factbook service.

Moreover, the Government will review and re-engineer its processes in order to optimise efficiency and enhance its performance.



Enhance the use of Smart ID cards

In an effort to increase the convenience of electronic payments, and to encourage usage of the Smart ID Card in the government and retail sector, the Government will launch the “Electronic Wallet” in order to facilitate bill payments and other transactions using smart cards. The processes will adhere to the highest standards of security and privacy and will use end-to-end “Public Key Infrastructure” services to increase security, such as qualified electronic signatures, single-repository authentication and encryption.

The Government will continue to update and upgrade the efficiency of its national authentication programmes, such as the National Payment Aggregator, to facilitate eServices across Governmental entities.

Improve cross-Government integration

In order to eliminate inefficient paper-based interaction within Government and across different agencies, the Government will review its processes and develop an Integrated Workflow Management System (e-Office) in order to streamline the exchange of official documents between Government organisations, ensuring an efficient mechanism to track the progress of any document or process that requires action.

The Government will review and refine all IT related processes to eliminate bottlenecks, correct problems and improve efficiency. The Government will adopt a holistic approach to technology management and architecture within Government that places particular significance on enabling public servants to conduct their duties efficiently, effectively and in a timely manner.



Priority 7.5: Accountability through transparency

High levels of transparency are an essential precondition of government efficiency and accountability. Transparency in the public sector improves fairness and fosters citizens' and businesses' trust in the Government while cementing the Kingdom's international reputation. Transparency is also associated with concrete economic benefits through a more predictable market and regulatory environment.

The Government will continue to build on Bahrain's important achievements in this area by strengthening institutions such as the Tender Board, the General Anti-corruption Directorate, Electronic Security at the Ministry of Interior, and the Internal Audit Function at the Ministry of Finance. The Government's goal is to ensure that public sector activities do not involve financial or administrative irregularities. All findings reported in the National Audit Court's annual reports will be followed up and responsible parties held accountable for their actions.

To achieve these objectives, the Government will prioritise the following specific initiatives over the next four years:

Enhance and streamline government purchasing and tendering arrangements

The Government will continue to enhance and expand its role in ensuring the transparency and fairness of the public sector's purchases, procurement and sales by compliance throughout the tendering process. The Government will therefore strengthen the regulatory framework of public procurement and tendering arrangements. Additionally, the Government will revise the organisational structure of the Tender Board and build the capacity and capability of its staff.

The Tender Board and e-Government Authority will create an electronic solution to improve the efficiency and transparency of the tendering process. This system will also aid the process of pre-qualification and evaluation of bidders and proposals.

Strengthen the capacity of the General Directorate of Anti-corruption and Electronic Security at the Ministry of Interior

The Government will maintain a dedicated full-time taskforce to look into any cases of alleged corruption and favouritism. The General Directorate of Anti-corruption will report cases and file complaints for investigation. Additionally, anti-corruption cases and initiatives taken to combat corruption will be publicised in order to deter future offenders.

Strengthen the internal audit functions of the Government

The audit function is essential for responsible financial management and the efficient performance of the government sector. A systematic and disciplined approach will be developed and managed by the Ministry of Finance in order to evaluate and improve the effectiveness of risk management, control and governance process.

Cooperate with and adhere to the National Audit Court

The Government will work closely with the National Audit Court to address the Court's observations and recommendations. This will include a series of reviews and reforms of administrative procedures focusing on areas such as accounting, procurement practices, inventory management and a collection of government fees and benefits amongst other procedures.

Strengthen transparency in government service delivery

The Government will continue to improve the National Suggestions and Complaints System (Tawasul) which acts as a unified platform for interaction between all Government bodies and the public. The public is able to share its feedback on the quality of Government services by submitting complaints about shortcomings and failures to address issues. Complaints and suggestions submitted via the system will be addressed swiftly and be used to generate mechanisms and policies to prevent similar problems from occurring in the future.

Moreover, the Government will ensure that ministries implement e-Participation programmes by utilising various tools like blogs, live chats and discussion forums on their websites, in order to reach out to the general public and therefore offering the public the opportunity to interact with the Government and share their ideas, questions and suggestions.



Priority 7.6: Enhanced Government communication and media

Effective communication by the Government is of great importance for coordinating work and increasing efficiency within the public sector. It is also instrumental in shaping Bahrain's reputation abroad and enhancing its appeal to foreign investors. In order to further enhance its efforts in this area, the Government will implement a comprehensive communications strategy for the Kingdom. This strategy will focus on improving the technical and technological infrastructure of Government communication and media sectors, enhancing the institutional capacity of the relevant Government entities, as well as developing a clear, transparent and business friendly regulatory and legislative environment in order to boost private sector participation and attract high quality media service providers.

The Government will also develop the content of its media channels for the purpose of more effectively conveying important social, economic and political information. Furthermore, it will continue to generate a variety of creative productions, including dramas and documentaries, to advance the Kingdom's media offering. To this end, the Government will work to improve the quality of media production through improved training of professionals, new facilities, and the development of television and radio stations.

To achieve these objectives, the Government will prioritise the following specific initiatives:

Enhance internal and external media and communications

The Government will establish the National Communications Office in order to centralise internal communication and align all Government entities on key developments and priorities. This will enable the Government to disseminate information regarding top national priorities both internally and externally in a transparent, consistent and reliable manner. By collecting and transmitting information on progress against key projects, Government communication will help increase accountability, boost public confidence and build consensus on Government policies and reforms.

Moreover, a comprehensive framework will be established to assist Government entities in developing and implementing communication plans. The Government will also centralise and coordinate press communications internally to respond to local and foreign press to ensure consistent and aligned messaging. Guidelines will also be developed and shared with Government officials on a regular basis, in order to unify Government media messages. Furthermore, the Government will conduct comprehensive monitoring and analysis of

all local and international media content, as well as develop action plans to maintain positive domestic and global perceptions of the Kingdom.

Additionally, the Government will implement the Integrated Workflow Management System "Zajel", in order to enhance Government communications as it will provide a secured environment for eCommunication for all Government end users.

Improve the quality of Bahrain's media production centres

The Information Affairs Authority will enhance its technical and technological infrastructure in order to boost the performance of all media production centres, particularly of the directorates of Radio and TV Corporation and the Bahrain News Agency.

The official radio and television channels as well as the Bahrain News Agency will undergo a modernisation process in order to improve the quality and variety of available media products, programmes and information products.

Establish New Radio and Television Channels

The Information Affairs Authority will increase the number of radio and television channels.

Boost the economic contribution of the media sector

The Government will undertake studies to determine the feasibility of creating a media city as Bahrain seeks to become a regional and international media and technical production centre. The Government will also develop the legislative environment in order to boost private sector participation in the media sector.

Build and retain capacity in media and communications

A comprehensive capacity building programme will be developed to train journalists and other communications professionals. The Government will also develop a plan to attract and retain local talent specialising in journalism and media.



Priority 7.7:
Support the development of the justice sector

A high-quality legal system is a central foundation and guarantor of a fair and just society and, as such, critical for the Kingdom's social and economic development. The Government's objective is a transparent, efficient and fair legal infrastructure for the benefit of citizens, residents and businesses alike. In order to pursue these aims, the Government will work with the Supreme Judicial Council to improve the judicial system as a whole.

The Government will institute and enforce appropriate standards for all legal professionals to improve the quality of judicial dispute resolution. Concerted efforts will be made to reduce the average time to settle a court case by improving procedures and addressing the causes of congestion and delays at all stages of the judicial process, from pre-trial to the final appeal and enforcement.

The Government will also free up more resources in the court system by encouraging alternative dispute resolution, such as mediation and arbitration, as an alternative to traditional legal processes. Such methods have been proven to resolve disputes more quickly, especially in more technically complex areas such as economic, financial, and investment-related issues. Alternative dispute resolution will in turn lower the number of cases presented to traditional courts, resulting in more timely and effective resolution of courts cases.

The following specific initiatives over the next four years will be prioritised to achieve these objectives:

Strengthen legal professionals' capabilities

The Government will offer professional legal training, particularly to those employed in the court system, to ensure that practitioners' legal and administrative qualifications meet changing standards and requirements. Further training will be provided to enable greater specialisation in areas of specific judicial expertise, such as banking and finance, industry and trade, bankruptcy and criminal investigation or forensics.

Strengthen the performance evaluation system of judges

The Government will support the Supreme Judicial Council to increase the efficiency and quality of judicial resolution of disputes by ensuring that the existing performance evaluation system for judges is strengthened and uniformly enforced.

Review and improve all court processes and procedures

A number of measures will be taken to improve the efficiency of court processes and reduce the average time it takes to resolve a case. These measures include the development of a case management system, adjustments to the procedural code, as well as reviews to the scope for appeals while maintaining checks and balances within the judicial system.

Establish specialised courts

The Government will work with the Supreme Judicial Council to establish specialised courts to increase the efficiency and quality of judgements by maximising the role of topic specific experts in civil proceedings. The Government will determine the jurisdiction and headquarters of any court which is deemed necessary.

Enhance the arbitration process

The Government will continue to enhance the arbitration process by reviewing the arbitration legislations, procedures and guidelines as well as exploring partnerships with international alternative dispute resolution centres. The Government will also develop and implement a comprehensive training programme to strengthen the capabilities of Bahraini arbitrators and mediators.

Develop and update notarisisation services

The Government will revise the processes and procedures of notarisisation as well as offer an electronic notarisisation service in order to enhance the efficiency and timeliness of the process. This entails electronically linking the Notarisisation Office with other Government institutions.

Additionally, the Government will develop laws and procedures to allow the introduction of private notary services subject to specific rules and criteria. The Government's role will be limited to notarising important transactions and supervising and regulating these services.



Priority 7.8:
Effective foreign affairs policies and relations

A positive image of Bahrain internationally is a key asset that must be continually fostered for the benefit of its political, commercial and cultural interests. A productive foreign policy maintains Bahrain's friendly relations with its neighbours and global allies, opens opportunities for Bahraini companies abroad and promotes investment and tourism in the Kingdom. The Government will seek to promote an international image of Bahrain as a Kingdom that promotes peace, stability and tolerance in the region and has a welcoming, pleasant and business-friendly environment.

Building regional and global ties is essential for Bahrain's success as a small, open economy. Alongside economic relations (discussed in *Priority 3.3: Openness and attraction of foreign direct investment and knowledge*), the Government will work to develop and deepen other dimensions of Bahrain's external relations in areas ranging from social and political ties to cultural exchange.

The Government will prioritise the following specific initiatives to meet these objectives:

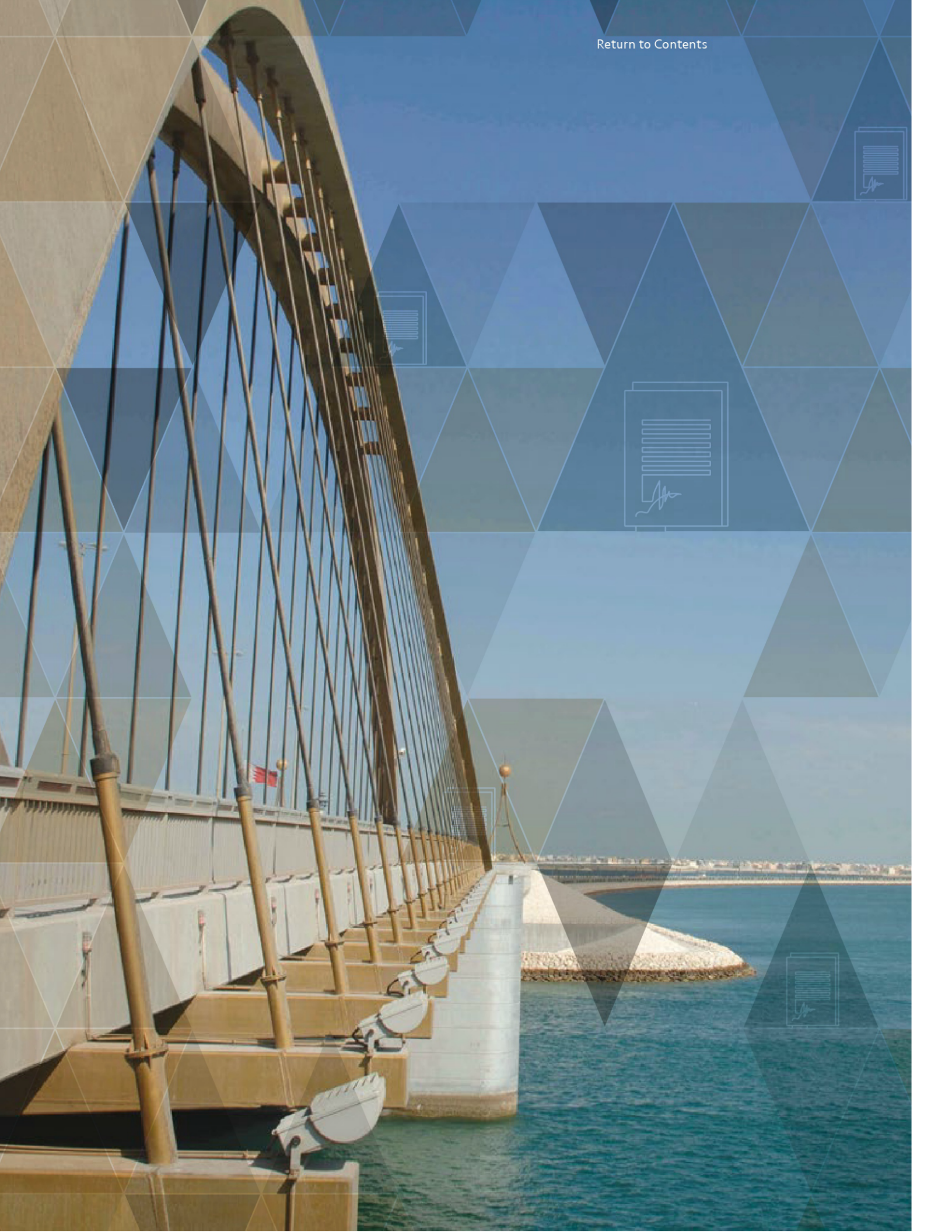
Forge strategic alliances with other countries/regions

The Government will prioritise increasing integration with Bahrain's closest neighbours in the Gulf Cooperation Council in political, social and economic and other fields, through a common market and institutions. Bahrain will also continue to play an effective role in the Arab League through collaborating with all Arab countries economically and socially to support the region's most critical issues, particularly the Palestinian cause, spreading peace and ensuring the stability of the region.

The Government will contribute significantly to strengthening strategic alliances and respecting treaties with countries and regions across the globe, both through its diplomatic capabilities as well as its embassies around the world. This will be done in parallel with the Government's ongoing efforts to enhance and promote Bahrain's presence in international and regional forums and organisations.

The Ministry of Foreign Affairs (MoFA) has formulated a strategic plan that will concentrate on enhancing its cooperation with all neighbouring and friendly countries, as well as being an effective member of regional and international organisations such as the United Nations, where Bahrain will continue to support initiatives aimed at achieving global peace and stability.

Develop and deepen Bahrain's external relations in areas ranging from social and political ties to cultural exchange



IV. The way forward

The years 2015 to 2018 will be an important period for the Kingdom to accelerate its development after an unusually challenging cycle for the global economy. Encouragingly, Bahrain has a strong foundation to build on. Its economic model and competitive strengths have proven to be resilient; GDP growth is healthy, FDI has rebounded and unemployment has dropped. At the same time, however, the Kingdom is faced with an increasingly urgent fiscal situation which threatens to seriously hamper its future progress if not addressed in time.

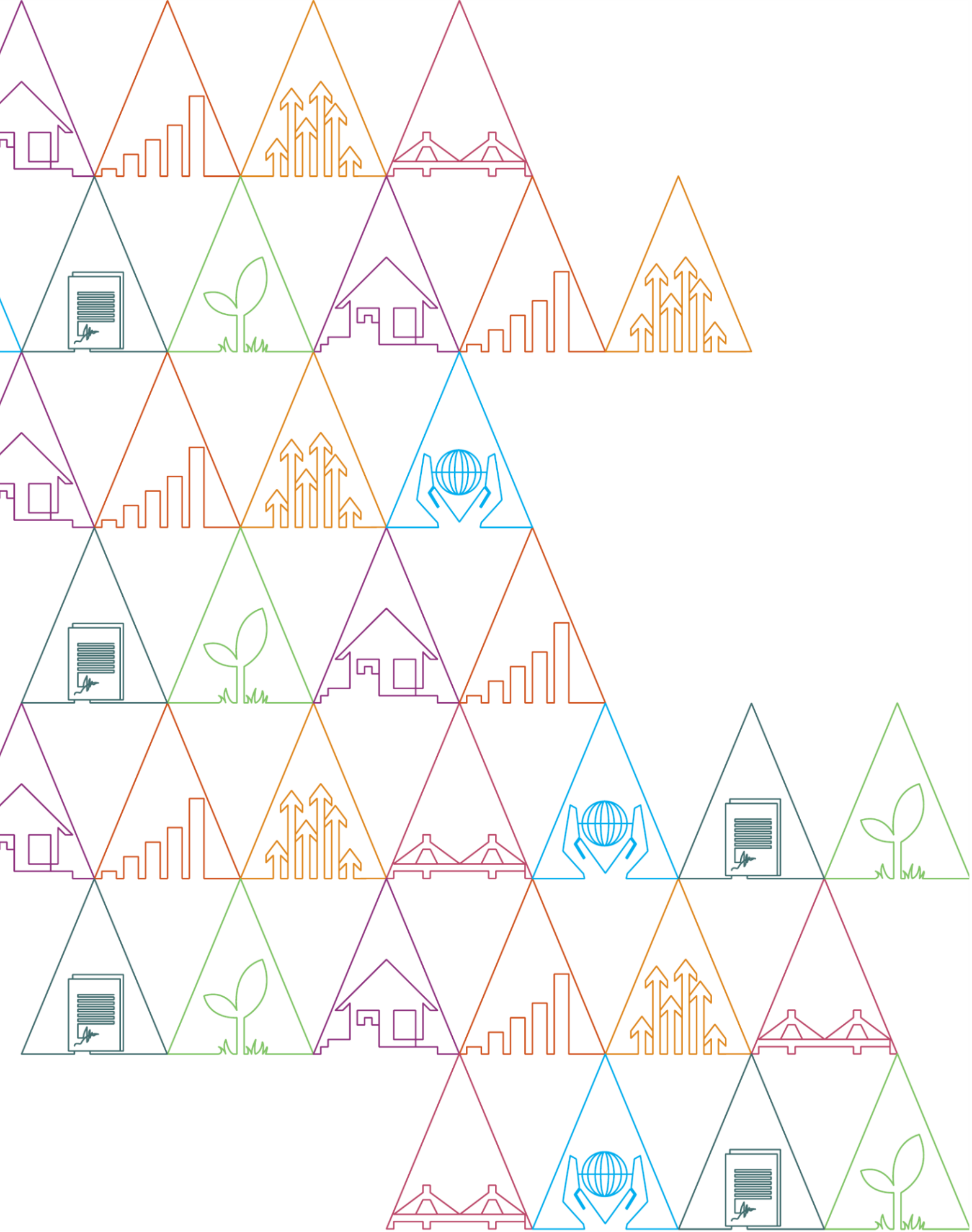
The coming four years will be critical in terms of shaping Bahrain's progress towards achieving the 2030 Vision. The strategy outlined in this document provides a roadmap for building sustainable growth and delivering quality jobs for Bahrainis in ways that recognise Bahrain's competitiveness drivers and resource limitations. Bahrain will pursue growth through further diversification in sectors and industries that effectively capitalise on and further enhance the country's competitive advantages, most notably in the area of human capital. Bahrain must stand open to the world to boost its exports and maximise the opportunities created by the influx of knowledge and capital. At the same time, the need to efficiently utilise limited resources such as land and energy will continue to fuel Bahrain's progress toward greater productivity and innovation.

In recognition of Bahrain's increasingly diverse economy and the need for fiscal consolidation, the private sector will have to play an ever-more central role in leading or supporting many of the initiatives outlined in this document. The Government will, by contrast, focus its efforts on regulating Bahrain's evolving economy in ways that ensure efficiency, quality and genuine equality of opportunity. Achieving success over the next four years and beyond will require the pooling of resources and coordinated effort across all parts of Government as well as productive collaboration with the private sector and civil society.

As the country pursues quality growth, the governance of the public sector and national resources will grow in importance. Recognising that Bahrain's commitment to strategic planning is a long-term process, the Government will continuously review the progress made and systematically update its plans accordingly. In addition, it is vital to continuously improve the process of communicating the Government's progress in implementing this strategy to the public, in order to boost transparency and accountability.

This document commits the Government to action over the coming four years. Its implementation will involve the adoption of the Government Programme and the formulation of detailed plans and strategies at the level of individual Government entities. The Government's work will be monitored on the basis of clear key performance indicators on an ongoing basis to ensure that Bahrain's work remains on track and delivers the maximum benefits for the people of Bahrain. The Government invites the collective support and participation of all citizens in this process to contribute to its success and to hold Bahrain's performance to account throughout its implementation.





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