

## Accelerating Economic Growth Around the World



### *Identifying and effectively utilizing resources*

**O**ur world is an increasingly complex network of social, political and economic entities that simultaneously cooperate and compete with each other to improve the quality of life for their own constituencies. In this dynamic interrelationship, entities that are able to identify and effectively utilize their productive resources emerge as front-runners in the path to prosperity.

We at SRI International believe that every community, every country and every region has certain competitive advantages over their counterparts which, if properly identified and aided with strategic action, can translate into social and economic development. Our hands-on experience in a multitude of development-focused projects in more than 115 countries around the world not only confirms this belief, but also provides us with unique perspectives and expertise to make that transformation a reality.

Prerequisites for a sustainable development initiative include proper understanding of the needs of the target community, the appropriateness of the intervention to meet those needs in a timely and effective manner, and an enabling environment in which various stakeholders engage productively. SRI's highly qualified and experienced team of researchers bring an array of international perspectives and excel in applying objective analytical approaches to identify community needs and matching them with successful interventions adapted to the local context. In the last three decades, SRI has been at the forefront in developing new approaches to economic analysis, strategy development, and public-private collaboration that have been applied successfully in different economic and political environments.



For example, SRI pioneered the cluster approach to economic analysis and strategy development that is based on the identification and analysis of economic clusters of competing, complementary, and interdependent firms within a region that are related to each other through buyer-supplier linkages and shared economic foundations. This innovative methodology goes beyond merely assessing the competitiveness of regional industries, to assessing the competitiveness of the links between industries and the links between industries and a region's economic foundations. Similarly, SRI has championed stakeholder-driven strategy formulation, capacity building for community problem solving, and implementation through public-private partnerships in various developing economies.

Various donor agencies and national and international policy makers including the United States Agency for International Development (USAID), the United Nations Development Program (UNDP), the World Bank, the Asian Development Bank, the Inter-American Development Bank, national governments and international foundations have frequently sought the services of SRI International to enhance the social and economic well being of countries and regions across the world. SRI's experience spans across multiple dimensions of economic development planning and execution, including

- Cluster Development & Competitiveness
- Privatization & Private-Public Partnership Design
- Investment Promotion & Enterprise Development
- Poverty Alleviation
- Strategic Planning & Policy Reform

## **SRI International**

SRI International is one of the world's largest and most respected research and consulting organizations. Founded in 1946 as the Stanford Research Institute, SRI is an independent, nonprofit corporation serving business and government clients worldwide. The Institute boasts a staff of 1,400 professionals located in a worldwide network of offices. SRI International is a problem-solving organization that provides a broad spectrum of basic and applied research and consulting services to business and government clients throughout the world. The Institute was organized under the auspices of Stanford University to provide a West Coast center where research and consulting services could be performed for industry and the public sector. SRI formally separated from Stanford in 1970, but retained its nonprofit status.

Further general information on SRI is available at the website: [www.sri.com](http://www.sri.com).

SRI is known worldwide for its scientific and business contributions, such as invention of the computer "mouse" and computer interface, development of electronic checking and clearing, innovative new market identification techniques, site selection for Disneyland, and creation of numerous anti-cancer drugs. Nearly two-thirds of our staff members have professional and technical expertise, including management consultants, economists, marketing consultants and researchers, computer scientists, psychologists, scientists, engineers, and other specialists. We are unique in our ability to draw from a variety of technical, marketing, and management groups to establish interdisciplinary consulting teams tailored to meet our clients' needs. SRI's clients include foundations, public/private partnerships, private corporations, associations, donor organizations and agencies of local, state, and federal governments.

Each year, SRI serves more than 2,000 clients around the world. At any given time, approximately 1,000 research and consulting projects may be under way. More than 75 percent of SRI's business comes from repeat clients. What sets SRI apart from most research and consulting organizations is our ability to harness a diversity of expertise to meet the needs of each project.

## **Center for Science, Technology and Economic Development (CSTED)**

SRI's Center for Science, Technology and Economic Development integrates two distinct disciplines – economic development strategy and science and technology policy. We have discovered that the effective combination of these factors serves as the key driver of long-term economic growth.

### ***The Economics Practice***

The Economics Practice is the professional resource within SRI charged with providing top quality research, analysis, and strategic planning on economic development issues. The reputation of the Economics Practice is built upon years of experience providing comprehensive, individually tailored assessments of economic and workforce competitiveness issues. The Economics Practice staff have conducted in-country assignments in over 60 states and regions in the United States, and 115 countries throughout the world, acquiring recognition as respected authorities on policy concerns, as sought-after sources of objective analysis, and as "consultants of choice" for developing concrete solutions to a wide range of complex economic

problems. These assignments have allowed us to develop a strong database on economic, political and business conditions. In recent years, Economics Practice clients have included, among others, many U.S. local and state governments, public/private partnerships, national governments, international banks and insurance companies, travel and entertainment companies, multinational business and manufacturing corporations, multilateral financial institutions such as the World Bank and the Asian Development Bank, and U.S. government agencies.

### ***Science and Technology Policy Program***

Since 1980, SRI's Science and Technology Policy Program has provided decision makers with interdisciplinary research and analysis of major national and international scientific and technological issues. Commissioned studies are designed to produce a range of future policy options together with objective evaluations of past policies and programs. Areas of research have included assessments and analyses of national and regional S&T policies, programs, research systems, and capabilities, both in public and private sectors; assessments of state technology programs; and surveys of U.S. scientists and engineers involved in S&T programs. The Center uses a multidimensional research approach, integrating the analysis of S&T policy formation, R&D infrastructure, resources and outputs, together with evaluation by technical experts in the field under consideration. STPP staff members have considerable experience in metrics of technology transfer, technology commercialization, and technical assistance.

### **What Distinguishes Us from Other Consulting Firms**

***Reputation and Objectivity.*** SRI has developed a strong reputation as the "consultant of choice" on business and economic issues. This reputation for objective, in-depth analysis has given SRI a high degree of credibility among government leaders and business executives.

***Extensive National and Global Experience.*** Having worked with business and government leaders throughout the United States and in over a hundred countries throughout the world, we have broad experience and databases on international best practices.

***Versatility.*** The wide range of skills available in SRI's CSTED, supplemented by SRI's industry, engineering, and technical experts, allow us to assemble the optimal team of professional talent to solve complex, multidisciplinary problems for business and government clients.

***Depth.*** SRI has acquired recognition as respected authorities on economic policies, and as sought-after sources of objective analysis on economic development, investment site selection and risk analysis, policy assessments, market studies and industry/sector growth strategies.

***Extensive Contacts.*** Our established reputation and extensive contacts in government circles and multilateral agencies provide us with inside track to the latest policy and economic developments, and access to the most up-to-date information.

### ***Translating vision to reality... SRI Expands Economic Opportunities in Lebanon***

SRI International is currently implementing a three-phased initiative designed to promote accelerated and sustainable economic growth in Lebanon. The first phase of the multi-year initiative sponsored by the United States Agency for International Development in Lebanon consisted of a diagnostic assessment of Lebanon's economic conditions, constraints, and opportunities. The second phase focused on the development of industry "cluster" action plans in: tourism; information and communication technology (ICT) and business services; and light industry and agribusiness. SRI's focus was to expand the clusters and integrate them with USAID/Lebanon's ongoing rural development program. SRI conducted a regional development assessment of Southern Lebanon, including the areas of human resources, natural resources, physical infrastructure, existing industry cluster activities, and potential for new income generating activities. Three clusters were selected for concentrated intervention. In the Agribusiness cluster, SRI facilitated the development of joint export marketing efforts among Lebanese food exporters, developed a national Agribusiness Development Action Plan with key stakeholders, and identified rural community agribusiness initiatives. In the Tourism cluster, SRI developed a national strategy for the development of sustainable tourism in Lebanon, with a focus on eco-tourism and in new itineraries that take advantage of unrecognized assets in the rural regions. In the Information Technology cluster, SRI undertook a series of analytical and stakeholder engagement activities to develop an initial ICT cluster strategy.

The project is now in its third phase, with targeted implementation support for the development of action plan items in each cluster. In the agribusiness sector, SRI is working with the olive growers and cooperatives to strengthen and streamline the local supply chain, building and promoting a national brand for olive oil *Traditions du Liban* and facilitating international marketing. In the Tourism Sector, SRI is working with tour operators to develop rural destinations, building tourism sector capacity through training and workforce development and promoting Lebanon internationally through innovative campaigns. In the ICT Sector, SRI is identifying international markets for export, enabling firms to generate business leads, providing technical assistance and bridging the digital divide. Most of the activities under this assignment have started yielding direct economic benefits to Lebanese firms, generating employment and are continuing on a self-sustained basis.

## Relevant Project Experience

### Cluster Development & Competitiveness

**Bosnia-Herzegovina Industry Cluster Development Initiative:** In this project sponsored by USAID/Bosnia, SRI assessed seven candidate industry clusters and identified two clusters with significant growth potential – tourism and wood/furniture – for full implementation. Through a series of industry stakeholder meetings, priority competitiveness and growth initiatives were identified in each target cluster, and cluster working groups were formed to spearhead implementation of these initiatives. The implementation phase included targeted activities such as capacity building in marketing, advertising, and packaging; enhancing country-level promotion at major international trade fairs; firm-level assistance on product development; workforce development; training on international technical standards; developing long-term promotional strategies for regional niche; and improving the policy environment.

**Egypt Cluster-Based Workforce Development Strategy:** Sponsored by USAID/Egypt, SRI International assessed the workforce competitiveness challenges in three industry clusters in Egypt: agribusiness, information technology, and tourism. The assessment framework included “demand” conditions such as current skill levels and skills gaps and the “supply” strengths and weaknesses. Based on this assessment, SRI developed stakeholder-driven

action plans to enhance competitiveness in the three industry clusters, and to bridge the gap between demand and supply in terms of skilled human capital.

**Sri Lanka Competitiveness Study:** In this study funded by USAID/Sri Lanka, SRI prepared an economic competitiveness analysis of Sri Lanka that focused on assessing the nation’s macroeconomic and commercial policy competitiveness, and employed two methodological approaches developed by SRI’s Economic Practice – the Commercial Policy Benchmarking Model, and the WEB Model of Development Performance Measurement.

**Industrial Growth Strategy in Papua New Guinea:** SRI designed an industrial growth strategy for the government of Papua New Guinea. SRI assessed the policy, infrastructure, and cost structure constraints to industrial growth in PNG and proposed strategies for overcoming these constraints.

**Comprehensive Tourism Development Blueprints for the Czech and Slovak Republics:** SRI crafted a comprehensive set of tourism development blueprints for the Czech and Slovak Republics. The blueprints included national plans (policy, tax, training, infrastructure, and promotional measures), community-based plans, and foreign investment attraction initiatives.

### Privatization & Private-Public Partnership Design

**Privatization Assistance to Zambia:** Under the Privatization and Development Project, SRI provided USAID/Zambia and other USAID missions throughout Africa with a review of the worldwide experience of countries undertaking privatization, and identified the lessons learned which would be relevant for Zambia. The study examined alternative approaches in the following areas: enterprise classification systems; privatization techniques and methods; financing instruments; policy and regulatory reform; expanding local share ownership; and techniques for overcoming political and social opposition to privatization.

**Analysis of a Privatization Transaction in Sri Lanka:** At the request of the Investment Office of USAID, SRI economists undertook an economic analysis of the privatization of a tire monopoly in Sri Lanka to assess the feasibility of providing a U.S. Government-backed loan guarantee to support the privatization. The SRI team assessed the economic costs and benefits of the privatization transaction, as well as the projected profitability of the privatized firm.

**Privatization Strategy for Kenya:** SRI prepared a strategic plan for the privatization or restructuring of all of the parastatals involved in Kenya's manufacturing sector. The study elaborated a series of major policy reforms to reduce the drag parastatals are currently having on the Kenyan economy.

**Poland and Hungary: Private Sector Development (RITE):** SRI economists participated on a team to establish a USAID-funded program to assist Poland and Hungary to make the transition to a market-oriented economy. SRI was responsible for contributing to the investment promotion and policy reform elements of the project.

### Investment Promotion & Enterprise Development

**Eritrea Foreign Investor Perception Survey:** SRI International worked with the Foreign Investment Advisory Service (FIAS) of the World Bank to conduct a Potential Investor Perception Survey for the Government of Eritrea. The main objective of the Survey was to provide the Government with a better understanding of how potential investors such as the Eritrean Diaspora and foreign firms with potential interest in Eritrea, view Eritrea as a possible location for investment.

**IFC Life Sciences Opportunities and Challenges Study:** SRI assisted the International Finance Corporation (IFC) in developing a strategy to identify the most promising investment opportunities in the life sciences/biotech industry in its member countries. The strategy recommended which business models and methods of financing are most appropriate for this sector, and how the IFC could minimize risk while understanding the attractiveness of segments and countries.

**Dominican Republic Investment Climate Diagnostic Review:** For FIAS of the World Bank, SRI conducted a review of the foreign direct investment (FDI) climate of the Dominican Republic. SRI assessed the business climate of the Dominican Republic, focusing on the policy and legal framework, benchmarked the Dominican Republic with competing locations and recommended policy and strategic measures to enhance the Dominican Republic's competitiveness as a location for FDI.

**Kazakhstan Investment Summit:** Under funding from Chevron Petroleum Incorporated, SRI organized and facilitated an investment summit in Almaty Kazakhstan. SRI made an assessment of the country's overall investment climate, its current investment law, and made recommendations for its investment promotion strategy. SRI identified high-priority investment opportunities in various sectors.

**A Strategic Plan for Attracting Chemicals, Plastics, and Rubber Industry Investment in the State of Victoria:** For the state government of Victoria (Australia), SRI prepared a strategic plan for attracting Chemicals, Plastics, and Rubber (CPR) investment to Victoria over the next 5-10 years.

**Business Assistance to Palestinian Enterprises in West Bank and Gaza:** SRI assessed the needs of Palestinian business in West Bank and Gaza in the areas of business training, firm-level technical assistance, and market information, and designed a program to provide targeted assistance to manufacturing enterprises in the territories.

### Poverty Alleviation

**Dominican Republic Economic Growth and Poverty-Reduction Strategy:** SRI prepared an economic growth vision and a poverty-reduction strategy for the government of Leonel Fernandez in the Dominican Republic. Sponsored by USAID, the study assessed the current economic policy structure, and its impact on growth and poverty. The project also presented international case studies on poverty reduction and economic growth models. The team prepared a policy matrix of high-impact reforms for the new government to undertake over the short and medium term.

### Strategic Planning & Policy Reform

**Namibia Scenario Planning:** SRI International carried out a scenario development exercise to assist in the evaluation of ongoing USAID economic development activities and to inform the strategic planning process for ongoing development assistance. SRI conducted research on the current situation, trends, and high impact variables shaping the economic, political, social, regional, and environmental dimensions of the country and developed a "most likely" scenario for Namibia along with a range of alternative scenarios and outlined significant actions to be taken in public-private collaboration on high-priority issues that would lead to the best development outcome for the country.

**Forecasting Malaysia's Science and Technology Human Resources and Research and Development Investment Needs Leading to the Year 2020:** Funded by the United Nations Development Program and conducted for the Malaysian Ministry of Science, Technology, and the Environment, this two-year study involved an assessment of Malaysia's current level of human resources in science and technology, as well as ongoing investment in R&D, using a variety of techniques. An econometric model was developed to determine the country's needs in order to achieve its ambitious investment goals. In addition

to documenting a substantial and ongoing shortage of S&T human resources, the study made a number of recommendations to improve the country's S&T infrastructure and resources.

**Intellectual Property Right Adjudication in the Philippines:** In collaboration with a team of Philippine intellectual property rights (IPR) attorneys, SRI led a study to examine the IPR adjudication process in the Philippines with the objective to improve the investment and business environment in the country. The team worked with local IPR enforcement agencies and advocacy groups in assessing the adjudication procedures of IPR cases, provided legal and procedural recommendations, and led a series of workshops and symposia to advocate IPR reform in the Philippines.

**Colombia: Business Start-Up Regulations Reform:** For the Inter-American Development Fund, the Swiss foundation FUNDES, and the Bogota Chamber of Commerce, SRI benchmarked international business start-up procedures, with an emphasis on policies and procedures affecting micro, small and medium enterprises. SRI evaluated Bogota's start-up environment, analyzed worldwide experience with start-up regime reform, and provided a strategy for improving Bogota's and Colombia's business start-up legal framework.

**National Export Plan for Guatemala:** SRI developed a comprehensive National Plan for the development and promotion of Exports. This effort included detailed recommendations for policy, regulatory and institutional reforms aimed at stimulating Guatemalan exports.

### Monitoring, Evaluation & Impact Assessment

**Financial Market Changes and Impact on Small Businesses:** In a research project funded by the Ford Foundation, SRI conducted a thorough assessment of recent U.S. financial market developments and their impact on small business financing. SRI identified the continuing obstacles faced by small businesses, analyzed the forces driving changes in the financial services industry and drafted a set of recommendations addressing both supply side and demand side barriers for policymakers and financial institutions to expand small business financing.

**Monitoring & Evaluation - Egypt GTG – SEGIR:** SRI provided monitoring and evaluation services to USAID/Egypt through a series of competitive contracts in the management of its Growth Through Globalization (GTG) Results Package encompassing a \$135 million set of programs designed to stimulate Egyptian private sector-led export growth.

**Mid-Term Review of the Tax Holiday Scheme in South Africa:** SRI collaborated with the University of Stellenborsch to evaluate the effectiveness and impact of South Africa's tax holiday scheme in attracting new investment to South Africa and directly contributed to the eventual adoption of a new tax holiday scheme by the Government of South Africa.

**Grameen Bank Ownership Transfer Assessment in Nepal:** Under funding by USAID/Nepal, SRI assessed the performance of the majority government- owned Grameen Bikas Banks (GBBs) in Nepal, and determined whether privatization might make them more effective. SRI made recommendations on how to proceed with an ownership change that would have the most favorable impact on the financial and operational integrity of the Grameen Bank.

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