

Public-Private Collaboration for Productive Development Policies

(RG-T1861)

The Inter-American Development Bank (IDB) is inviting research institutions or individual researchers to submit proposals for the preparation of country studies on Public-Private Collaboration in the design, implementation, monitoring, and assessment of Productive Development Policies. Section 1 of this call for proposals provides a brief motivation for the project. Section 2 reviews the objectives of the country papers. Section 3 extensively discusses the main issues to be analyzed by the country studies. Section 4 summarizes the expected contents of the research proposals. Section 5 details the selection criteria for the research proposals, and Sections 6 to 8 provide details on administrative arrangements for the project.

1. Purpose of the Project

This project is aimed at expanding knowledge, as well as the IDB's capacity to provide advice to member nations, on the design of institutions of Public-Private Collaboration (PPC) for Productive Development Policies (PDPs). PDPs in this project are policies aimed at increasing the productivity of firms in specific sectors or clusters, and/or improving the likelihood of emergence or growth of specific economic activities. The project is about the role of the private sector, and Private-Public Collaboration (PPC), in the better design and implementation of such policies.

The debate about PDPs has been extensive in the academic literature generally and especially in reference to Latin America. While there have been major successes, for decades most of the region attempted invasive PDPs that often replaced rather than complemented market processes, used massive public resources—misdirecting many of them as private rents—and failed to produce the productivity increases that justified them in the first place. The result of such "old-fashioned" industrial policies was too frequently an expensive failure. Hence, by the time of the Debt Crisis in the 1980s, policymakers across the region directed their efforts towards dismantling—with difficulty— these policies, some because they believed that other PDPs such as export promotion would work better, and others because they thought that government had no role in this area, especially when the effects of its actions would favor some sectors of the economy over others.

The international experience, on the other hand, demonstrates that there is an important role for some modalities to approach industrial policy (not necessarily the ones attempted in the past), which have been a component of economic policy in most of the countries that enjoyed fast growth in recent decades, as concluded by Spence's Growth and Development Commission (World Bank 2008), Harrison and Rodriguez-Clare (2010), and other studies. Consequently, governments throughout LAC are increasingly requesting Bank support in the design and implementation of PDPs that incorporate good practices and avoid the failures of the past.

Besides public sector capacity and political commitment to pursue useful PDPs, institutional arrangements for fruitful participation of the private sector appear to be critical for the success of public policy in this area. It is clear that the private sector can play an important role in the PDP process because it has privileged information about the production process and market conditions necessary to assess the viability, desirability and likely outcome of various policy efforts as well as about government failures. The private sector can also actively contribute to improving the design and implementation of policy. Private input in the context of a collaborative framework with the public sector is valuable, perhaps essential. At the same time, it is also clear that private sector involvement may amplify the risks of rent-seeking and capture that would poison the whole enterprise.

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Accordingly, research efforts at the Bank and elsewhere in the development economics community show an important need for arriving at policy recommendations for institutional reform towards better publicprivate collaboration for productivity-focused public policies. The Bank's 2010 DIA report on "The Age of Productivity" suggests that reforming the traditional public sector-driven technocratic approach by promoting a more participatory policy process that includes the private sector could be extremely fruitful in improving current policies (see Fernández-Arias, 2010). In extreme cases, misoriented policies may be reoriented and policy lacunas may be identified and filled. The challenge is to channel private sector participation into high social return policies rather than rent seeking. This project is part of those efforts.

This project focuses on the collaborative institutional arrangements that give rise to and support PDPs, rather than the contents of the policies themselves. It is therefore largely complementary to the Bank review of the rationale of selected public policies and how they are carried out, entitled "Industrial Policy in Latin America and the Caribbean." (IDB 2009). On the one hand, the project will include a number of studies already underway on analytical aspects of PPC for PDPs (such as incentives issues related to the process by which the public sector extracts information from the private counterparts and the way the public sector organizes itself at different levels of government to engage the private sector and to deliver the public inputs and policies that are identified in the PPC) and on the international experience on PPC for PDPs. On the other hand, it will include a number of country studies in Latin America and the Caribbean (LAC): we envision that five country studies will be commissioned as a result of this Call for Proposals. The country studies will derive useful lessons for institutional design from particular experiences.

It is envisaged that some of the material may be discussed in country workshops or an international conference, and that selected material from these sources may be published as a book. This book would include a summary of findings concerning specific policy recommendations that are validated by the whole project regarding the role that private sector participation can play in contributing to the success of industrial policies, especially in Latin America, as well as the role of the public sector in shaping this participation.

2. Objectives of the Country Studies

The country studies that are the subject of this Call for Proposals represent the core of the overall project. We invite research institutions or teams of individual researchers to make proposals for the preparation of country studies on Public-Private Collaboration in the design, implementation, monitoring, and assessment of Productive Development Policies, following the guidelines discussed in this call for proposals.

The country studies have three main objectives:

a) Provide a map of the state of PPC for PDPs in the country and a preliminary diagnostic of its functionality and room for improvement.

b) Analyze a number of specific cases and extract from them lessons for the institutional design of PPC applicable to LAC countries.

c) Produce recommendations for institutional reform (and further study) for the country on the basis of the cases analyzed and the overall diagnostic.

Each study will include an in-depth analysis of around four or five cases of PDP experience (perhaps more or fewer, depending on their breadth) in which the interaction between government and the private sector was particularly relevant for formulating and implementing PDPs. The selected cases may refer to a wide spectrum of experiences of PPC, from collaboration in a particular place in a particular sector or cluster to broader initiatives where there is a national (or subnational) system of PPC in place that is applied across sectors and for multiple policy initiatives, whether these are of a vertical or horizontal



nature. If there is a well-established system of PPC for PDPs with effective private sector participation at supra-sectorial levels, its experience would be highly relevant for the study and we expect the proposal to select this system as a case of study. However, the in-depth analysis should be carried out, on the basis of its particular applications to specific sectors or policy initiatives, rather than only in terms of the framework it provides.¹

The authors are expected to extract from the experiences some general ideas and lessons about the collaborative role of the private sector in PDPs which can be transferable as policy recommendations for other countries, policy areas or productive sectors.

Furthermore, given the country focus of these studies, we expect them to provide a characterization of the state of PPC for PDPs in the country examined and the space for institutional reform in the country in this regard.² We also expect that the lessons obtained from the cases analyzed can be coupled with the preliminary diagnostic of the status quo to produce an idea of the contours for institutional reform in the country, as well as concrete and useful policy recommendations. It is also important for these studies to provide directions for further inquiry in order to broaden the scope of recommendations for institutional reform.

3. Main Issues to be Analyzed by Country Studies

In order to fulfill this project's objectives, each country study will include a characterization of the overall state of PPC for PDPs in the country as a way of introduction. In this first section the study will address the historical experience of the country regarding PPC; whether it is regarded as a trusted and legitimate approach, and its overall results in improving PDPs in the view of public and private sector entities as well as country experts. Secondly, the country study will analyze in detail around four or five cases of public-private interaction and collaboration in the process of designing, implementing, monitoring and/or assessing productive development policies. This analysis will distill lessons for PPC design applicable to LAC countries. Finally, the study will offer recommendations for institutional reform in the country on the basis of the cases analyzed and the overall diagnostic.

It is useful at this point to introduce some common terminology regarding productive development policies, since we will use it in the rest of this Call for Proposals, and it may also contribute to standardizing the discussion across country studies. At the IDB we have found it convenient to classify PDPs in two dimensions. The first involves the scope of the PDPs, in particular, whether they are intended to enhance the performance of a particular sector (in which case we call them vertical) or of the economy as a whole (horizontal). The second dimension involves the type of intervention, which can take the form of public goods/inputs (such as a cold storage facility or enhanced phytosanitary control) or market interventions (such as subsidies, tax breaks, protection, etc.). These distinctions are also relevant for the analysis of PPC for PDPs. For a more in depth discussion of the classification of PDPs and related methodological considerations, see the terms of reference of our project on "Industrial Policies in Latin America,", IDB (2009). That project produced several country studies on Industrial Policy in the region and in a way complements the one described in the present call for proposals.

In addition to these dimensions, Hausmann, Rodrik and Sabel (2007) have introduced another useful dimension: PDPs can be "in the small" or "in the large" depending on whether the intention is to improve on particular activities that already exist, or create (for example, through strategic bets on particular "strategic" sectors) a new pattern of comparative advantage. Distinguishing between these different

¹ In this sense it is complementary to Devlin and Moguillansky (2011), where the emphasis is on systemic industrial policies generated by a medium and long-term strategic development perspective supported by strategic public-private alliances.

² We do not expect, however, a complete diagnostic of the entire constellation of PPC for PDPs nor a complete analysis of how it is applied.



classes of PDPs is useful for this project because the type of PPC that may arise, the type of problems likely to be faced in these instances of collaboration, and the issues that are relevant for the design of PPCs may be very different depending on the nature of the PDP in question. See Rodriguez-Clare (2011) for an analysis of these classes of PDPs and the implications for PPC.

The core issue on which we would like the country studies to focus is the role of PPC in contributing to the design and implementation of necessary and effective policies to address specific problems and increase productivity in sectors and clusters. Typical policy interventions resulting from PPC are geared toward identifying bottlenecks, coordination failures, missing public inputs, and the like in specific sectors or clusters. Therefore, we expect most of the case studies to focus on PPC for vertical policies, involving the provision of public inputs or market interventions or both. However some instances of horizontal policies may also involve effective collaboration of private sector counterparts, in which case they would also constitute highly interesting cases.

We would prefer to span a broad range of sector circumstances, from sectors whose economic viability is well demonstrated, to sectors that are well established but face threats to their economic survival, to sectors that may be found promising by the technocracy but have not yet taken root or even been born. Ideally we would like to cover policies both "in the small" and, if they exist, "in the large."

Not all these cases need to be success stories: there can be very valuable lessons derived from failures, especially if they can be reasonably compared to analogous success stories and in that way help identify the keys to success.

We expect some cases to study the performance and results of broad national or institutional initiatives to involve the private sector in the process of industrial policy (if these broad initiatives do exist), while others will focus on isolated sector-specific experiences of public-private interaction that may not be a part of a broader system. When analyzing very broad systemic efforts, we expect a detailed narrative and illustration of some specific instances of PPC that occur within the frame of that broad system, in order to see the governance of the process as the actors "play the game" and observe specific initiatives, policies or measures undertaken as a consequence of public-private interaction. It is in part through the analysis of these individual—and perhaps sector-specific—cases that occur within a broader framework that we hope to learn about the workings of that framework. Conversely, in cases focused on more specific isolated experiences, we expect the authors to describe the broader national, political and institutional framework, traditions and situations that are necessary to understand the specific case.

In some instances, the public-private relationship is limited to government consultation with the private sector on intended policies, or attempting to extract from the private sector information relevant to policy design. In other situations, the private sector is involved in the design and/or the implementation of policies. Sometimes, the involvement reaches the monitoring, evaluation and adjustment of those policies. Finally, government may yield to the private sector the initiative on certain industrial policies, or cede part of the authority to make relevant decisions.

While the representativeness of the set of cases selected and their relevance for recommendations for specific country institutional reforms is an important consideration for selection, we recognize that the methodology of case studies necessarily limits the coverage and scope of the study. Therefore we place particular weight on the conceptual and qualitative contribution of the findings in the study. In turn, a key criterion for selecting proposals is the likelihood that the cases selected will yield lessons that can be generalized into broad concepts, transferable to other situations, nations and/or policy areas. In this context, variety within each country study contributes to the value of the overall project.



PPC involves a public sector organization designed to interact with private sector counterparts on the basis of certain rules of the game or institutional set-up.³ We expect the cases to discuss in detail the way the public sector organizes itself internally to interact with the private sector, both for the identification of their needs and for the implementation of the policy interventions that are needed in order to address the sector's shortcomings.

One challenge in this regard is that often the public sector participants that tend to interact with the private sector in order to identify their needs are sector or regional authorities, while those in charge of the delivery/execution of the identified projects are often functional ministries/entities. This means that, unless there is a good organizational structure in place, and good inter-agency coordination, those that have the resources and responsibilities associated with the execution of the projects are not those who detect their needs and discuss them with the private sector, or are evaluated according to the results of these interventions.⁴

The following list of questions, while not limiting the analysis, should be indicative of the kind of information and discussion that is expected in each of the cases covered in the study.⁵ We group the questions into three blocs: a) Institutional characterization; b) Institutional analysis; and c) Institutional lessons.

A) Institutional Characterization

1) Does the PPC studied correspond to a specific sector, cluster or value chain? Does it correspond to a broader initiative? What is the scope of the PPC case?

2) How exactly is the interaction between the public and private sector structured and governed?

a) Who participates from the private and public sector? Does the private sector participate through representative entities or through selected individuals? Who selects the participants? How?

b) If the the private sector participants are representatives of formal business associations, how are these organized/funded? Are there competing business chambers sitting at the PPC table? (Same sector? Representing different links along the value chain?) If so, how did they decide their representation?

c) What are the mechanics of public-private interaction? Did they evolve over time, and how? Were these mechanics shaped by the public sector, the private sector, or both?

d) How are problems or areas of common interest identified? How are policy solutions identified and modeled? What is the role of each participant in the public-private interaction?

e) Are third parties (other public institutions, other productive sectors) affected by the policy results of this public-private interaction somehow involved in the process, informed or taken into account? How?

f) In the case of PDPs "in the large," with the aim of creating new sectors, how are incipient or unborn sectors proxied? How are relevant stakeholders organized to inform the strategic value of new sectors or activities with no domestic track record?

- 3) How was the private sector involved in policymaking in this instance of PPC? In particular,
- a) Does the private sector take the initiative or participate in setting the agenda?

b) Was its role merely consultative or informative, or did it get involved in the design and implementation of policy responses to the problems identified?

³ In some cases, the dialogue / collaboration takes place through less formal processes. These informal interactions, if relevant, are as important to us as the formal ones, and we encourage the authors to discuss them.

⁴ For instance, while the minister of tourism may be responsible for identifying the infrastructure needs of the sector, it is the minister of public works who has the resources and responsibility to deliver the relevant infrastructure projects, even though he does not interact with the tourism private sector. The risk is that identified tourism projects are not implemented and that the infrastructure budget is applied to projects that were not identified according to an appropriate process. ⁵ As mentioned above, if there an established system of PPC for PDPs the study ought to analyze how it is actually applied in specific circumstances.



- c) Was the private sector empowered to make decisions? How?
- d) Does it participate in evaluating the results and adapting the policies as they may progress?
- e) Are the decisions reached jointly or cooperatively binding for the parties? How?

f) Given the inherent instability in the public sector linked to the political cycle, to what extent has private sector representation been relevant in maintaining the continuity of the PPC and of related PDPs?

4) How did the public sector organize itself to interact with the private sector? 6

a) Who are the public officials that participate in this instance of PPC? What mandates do they have?

b) To what extent is there a single channel for the private sector to discuss policy needs with the public sector? Can they go elsewhere if they do not get what they want?

c) What are government officials' incentives in working with PPCs for PDPs? What is the employment regime for these officials? Are their salaries competitive? How does recruitment take place? Is there a strong agency identity and commitment to the agency?

d) What is the career path for a successful PPC public participant? A long career in the public sector? Finding a job in the private sector?

e) What type of inter-agency coordination exists within the public sector in order for the executing agencies (for example, public works ministry) to respond to the demands identified by the agencies (for example, tourism ministry) that participate in the interaction?

f) Are budgets flexible enough to be able to deliver on the provision of the identified public interventions?

g) Is there any mechanism for the private sector to hold the public sector accountable for following up on the decisions that are reached?

h) What types of mechanisms, if any, are in place in order for the public sector to receive continuous feedback from the private sector during the implementation of policies in response to perceived needs?

B) Institutional Analysis

Many aspects of a public/private relationship can lead to failure, since the private sector cares only about its bottom line, which need not coincide with social return of PDPs. For example, asymmetric information in favor of the private sector may lead to lying or at least half-truths that would impede the discovery and implementation of the best policies. In the extreme, PPC may end up being a mechanism for rent-seeking. If the public sector agent is especially prone to capture, or even corruption, failure is more likely. These issues may be particularly relevant in cases in which the policies discussed involve subsidies or other forms of market intervention. In these cases, specific safeguards may be required to control this risk. Under this paradigm, institutional design for PPC may entail devising mechanisms to align incentives and extract socially useful information from the private sector, or perhaps abstaining from PPC when conditions are not favorable. See Rodriguez-Clare (2011) for a more detailed analysis of these incentive issues and more generally on issues of institutional analysis in the context of this project.

But PPC may not always involve the information extraction problem discussed above. In some instances, the motivation for public-private interaction may instead be the need to engage in co-exploration of new directions unknown to both the public and the private sector. The example of the rice sector in Concepcion, Argentina, is a case in point (see Butler et al., 2011). In this instance, a foundation of rice growers (PROARROZ) collaborated with a public research institution (the Concepcion chapter of the INTA) for the development of a new variety of rice that was more productive, more resistant, and better adapted to that particular region. While INTA was responsible for research and development, the rice growers in PROARROZ contributed financing and lent their own fields for experimentation with the new varieties. The set of issues that are crucial for this type of collaboration to work well are quite different

⁶ For a discussion of the role of the public sector in PPC for PDPs, see Cornick (2011).

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from those discussed in the previous paragraph. Dealing with free riding, for example, may be a more important issue in this case.⁷

Whenever PPCs revolve around the identification of public inputs or the resolution of coordination failures that are needed in order to unleash the potential of a given sector, a crucial consideration is the way the interaction is structured in order to identify the bottlenecks, and the way the public sector organizes itself to deliver the public inputs that are needed in order to overcome the problems identified. Failure to deliver on the part of the public sector will lead to disinterest on the part of the private sector, and lack of participation in future rounds, if firms believe they are wasting their time. This comes in addition to the already existing incentives to free ride, and the resulting inability to collaborate in PDPs of high social value even if they are in the collective private interest of the sector. In fact, this class of cases appeared to be quite relevant in a recent IDB study on Export Pioneers in Latin America (for details, Sabel, 2011, Sabel et al, forthcoming, and IDB, 2011).

More generally, regardless of the nature of the PPC, there may be many other reasons such as lack of trust, conflicts outside the relationship, principal-agent problems, misguided selection of participants, or difficulty in assessing the private vs. the social value of a good that may impede fruitful collaboration.

The relationship between public sector participants and the particular private sector with which they interact is very relevant as well. For example, in tourism, it is often the case that the minister is a businessman in the tourism sector. In such cases, information transmission will be less of a problem, while problems of rent extraction may be more pervasive. Often, public employees have been or expect to be employed in the sectors with which they are collaborating, and this reduces independence.⁸ It would also be interesting to see whether private organizations lobby multiple government agencies. For example, if they do not get what they want from the line ministry, they may go directly to the President or to Congress. While these multiple channels may have obvious drawbacks—it may, for instance, weaken the formal structure of PPC—it may also provide a way for the private sector to discipline government partners in PPC.

The key question is what are the characteristics or devices put in place in the case under study that deal with the type of issues above (if applicable), effectively addressing them in the successful cases? We expect that the analysis will answer this question. A complete analysis would explore how the various institutional features characterized above may or may not deal effectively with the various ways in which PPC may fail and in this way explain the success and failure aspects of the observed PPC experience. The following are illustrative specific questions to help with the analysis:

1) Were these issues relevant in this case? How were they dealt with? How did they impact the overall outcome?

2) What types of issues are discussed in the context of the PPC? Are the issues prone to rent-seeking (e.g., protection, subsidies) discouraged or considered "out of bounds"?

3) Are short-term concerns from the private sector (temporary fall in prices, sudden import flows, etc.) successfully set aside to focus on medium and long-term objectives?

4) Are there concerns about the incentives that private parties may have not to reveal truthful information, or to pursue policies that create private rents rather than social value? How are those concerns dealt with? Is the private sector made accountable for the information it provides? How?

5) Is broad participation of the private sector encouraged? Is there something done to prevent free riding?

⁷ In the particular case of rice in Concepcion, one of the ways free riding was dealt with is that PROARROZ asked the provincial government of Entre Rios to impose a tax on rice production which was earmarked to finance INTA's exploration, to make sure all producers contributed to the effort.

⁸ Sometimes, private sector representatives also have previous government experience.

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6) How are public-private cooperation and the resulting policy initiatives financed? Is there co-financing from the private sector?

7) Are there any concerns about the capture of public sector officials participating in these interactions? How are these concerns dealt with? Are there policies in place to have experts in government who do not come directly from the private sector?

8) Does the background and/or career path of the public sector participants affect the results of the collaboration? In what way?

C) Institutional Lessons

Finally, the study will distill institutional lessons from the previous analysis of cases. These lessons should be derived from the findings concerning the institutional features responsible for aligning players to collaborate productively and alleviating the various risks for public-private interaction to fail in the case of successful experiences (or for dysfunctional interaction in the case of failures). It is important that the authors make sure that the institutional characterization and analysis of cases above are rich enough to fully support the lessons included in this section. The following are some key questions this section would answer for each case:

1) Why was this experience of PPC successful (if it was) or a failure (if it was)? Is the reason related to the nature of the objectives? To the manner in which the public-private interaction was structured? To the peculiarities of the actors? To the manner in which government dealt with the problems of asymmetric information, principal-agent problems, free riding or unaligned incentives?

2) What broader lessons may emerge from this case, and which of those lessons apply elsewhere? Does this experience help confirm, or does it challenge, prevailing ideas regarding the role of the private sector or regarding industrial policy?

We expect that the papers will describe each case and its relevant aspects in sufficient detail to allow deep discussion and the extraction of more valuable, general and transferable ideas. The analysis should point out what are the key lessons learned about industrial policy in general, and about public-private cooperation in general, but mostly about cooperation in the process of designing, applying or evaluating productive development policies. Some of the topics that we hope these cases will help to illuminate are the following:

1) The type of private organization or private individuals that the government should choose to involve in the process of designing or implementing PDPs.

2) The degree of involvement and authority the private parties should have in the process.

3) The way in which both sides, and their interaction, should be organized.

4) The choice of which policy areas are more suitable for cooperative efforts, and which are better left in the realm of government.

5) The type of mechanisms that should be used in order to avoid rent-seeking, to encourage participation by the relevant private sector actors and, more generally, to encourage firms to seek interventions of high social value.

6) The actions that may be taken to improve the resilience of PPC initiatives to changes in governments, or in key public officials.

7) The degree with which the validity of these lessons varies according to:

a) The type of policy, such as whether its measures involve subsidies or public inputs and resolution of coordination failures;

b) The type of sector the policy is meant to affect;

c) Whether new policy is being proposed and designed, or rather existing policies are being assessed, amended or eliminated; or



d) Whether the policies in question relate to the emergence or growth of a promising/new sector, as opposed to the restructuring or survival of an existing/declining sector.

We expect that researchers will access, whenever possible, primary information regarding the process (interviews, records of meetings, etc.). Furthermore, issues that can be quantified should be quantified, clearly specifying the sources and nature of the data.

4. Contents of Research Proposals

To participate in the project, research institutions or teams of individual researchers⁹ should submit a proposal detailing:

• A brief discussion of the main institutions involved with public-private collaboration for PDPs in the country, as well as the description of the broad framework under which collaboration occurs, if such broad a framework exists.

• The PPC experiences to be analyzed, and the period when they take place. If possible, authors are encouraged to propose more than four or five experiences, so that the selection panel has some room to discuss with them and negotiate which cases are more promising (in some cases, this may facilitate the inclusion of PPC in similar sectors across countries).

• A justification of why these specific experiences may be relevant for the goals of this project.

• Some general history and characteristics of the sectors affected by the PPC experiences, the opportunities or problems being addressed, and their performance, so that the panel can identify more clearly the issues at hand.

• Some initial hypotheses and candidate ideas that the team believes could be illustrated or argued through the cases they propose

• The data sources to be used and the research strategy to be applied, in some detail.

In addition, the proposals must include a list of the researchers that will be involved in the project, and their roles. The proposal should discuss the research team's capacity to meet the objectives of the project, including relevance of prior experience. Curricula vitae of the researchers may appear in a separate annex. Subsequent substitutions for researchers originally specified in the proposal may be made with prior approval from the project coordinators, but the project leader should lead the entire project until its full completion.

Note: ALL proposals should be submitted in English

5. Selection Criteria

The research institutions or teams of individual researchers will be selected according to three main factors:

(i) **Relevance**. The panel will assess the likelihood that the cases proposed will yield applicable knowledge along the lines described in Sections 2 and 3. For this assessment, the panel will give priority to proposals that explain why the investigation of the cases proposed, whether local, regional or national programs, can be expected to advance our understanding relative to what is already known and yield useful lessons for institutional reform to advance PDPs through PPC.

⁹ Individual researchers living in the U.S. must have a valid work permit.



(ii) **Methodology and Data.** The methodological approach to find answers to the questions of this inquiry and map them into recommendations for institutional reform should be explained. If there is data collection involved, issues should be spelled out in detail (what sources of data will be used, what are the chances of success of obtaining such data, what channels are they planning to use to obtain data, etc.).

(iii) **Experience.** The relevance of the research institutions or teams of individual researchers' experience for the proposed project will be a highly important criterion in the selection process.

6. Proposal Submission

Research institutions or teams of individual researchers interested in submitting a proposal should preregister before **October 21, 2011** by <u>clicking here</u>. If unable to pre-register before the due date for proposals, please send an email to <u>red@iadb.org</u>. Proposals are due **Wednesday**, **November 14, 2011**.

Proposals should be submitted using the <u>Web Submission Form</u>. Please note that there are two options within the submission form: one for institutions and another for teams of individual researchers. Please make sure to choose accordingly.

The following information will be required for submitting your proposal:

• The proposal with all the technical aspects involved in the development of the study, based on the Terms of Reference outlined in this Call for Proposals.

A budget indicating the time and resources that will be used within the context of the research work plan. **The proposal and corresponding budget <u>must</u> be sent in separate files.** The budget proposed should disaggregate items financed by the IDB contribution and those financed by the research institution or by the team of individual researchers. The budget should distinguish among amounts assigned to professional honoraria, "overhead" and other major categories of research expenditures.

• The name and Curricula vitae (three pages maximum per researcher) of the research leader and other researchers involved. The research institution or team of individual researchers should demonstrate its ability to meet the objectives of the project, including relevant experience. Please note that for proposals submitted by institutions, subsequent substitutions for researchers originally specified in the proposal may be made with prior approval from the project coordinators, but the research leader (of each subject) should lead the entire project until its full completion. Conditions regarding the substitution of researchers apply only to contracts with institutions and not to contracts with individual researchers.

Institutions must provide the name and contact information of its legal representative, with authority to sign contracts with the IDB, if selected to conduct the study.

Note: ALL proposals should be submitted in English

7. Coordination and Schedule

In addition to the individual country teams undertaking these studies, there will be a team of IDB coordinators (Eduardo Fernández-Arias, Ernesto Stein and Gabriel Casaburi) and external advisors from



Columbia University (Charles Sabel) and INCAE (Alberto Trejos). The project will be administered by the Science and Technology Division (SCT).

The tentative schedule of activities is as follows:

• October 21, 2011: Due date for pre-registration (not required but strongly encouraged).

• **November 14, 2011:** Due date for receiving proposals. Institutions should assure that the complete documentation is submitted through the **Web Submission Form**.

• November 30, 2011: Announcement of selected research proposals. The panel may arrange meetings with the authors of the proposals in the previous weeks in order to make a more informed decision

• **December 12, 2011:** Initial video-conference meeting between the researchers and the coordinators, to discuss methodology and other relevant aspects of the project.

• **February 17, 2011:** Due date for receiving report with an annotated outline of the research paper, data sources and possible hypothesis, plus a sketch of the analysis for one of the cases covered.

• March 1 and 2, 2012: Launching seminar, in Washington DC, with the participation of the lead researchers of each team, the panel, and the authors of the background papers, to discuss the background material as well as each of the national projects.

- May 28, 2012: Due date for receiving a First Draft of research papers.
- June 25, 2012. Feedback from the panel regarding the First Draft
- September 3, 2012: Due date for receiving a Revised Draft of research papers.
- September 17 and 18, 2012 (TBC): Discussion Seminar where the revised draft of research papers will be discussed.

• **November 30, 2012:** Deadline for final version of the research papers, incorporating the feedback from the Discussion Seminar.

Studies that are of good quality will be considered for publication as working papers.

A selection of the best papers—or the best cases—may be included in an edited volume on public-private collaboration for PDPs in Latin America.

8. Financial Aspects

The IDB will provide up to **US\$35,000** as a contribution to the total budget of the study. The payment schedule is as follows:

• 20 percent within 30 days of the signing of the formal agreement between the IDB and the respective research center or consultants.

• 10 percent within 30 days of presenting and approving the report with an annotated outline of the research paper, data sources and possible hypothesis.

- 30 percent within 30 days of presenting and approving the first draft of the research paper
- 20 percent within 30 days of presenting and approving the second draft of the research paper and upon delivery of the datasets utilized by the study to the IDB.
- 20 percent upon approval by the Bank of the final research paper.

Note: Fees for unjustified delays at any stage of the project will be charged in the form of a reduction in the corresponding payment of **\$200 per day of delay**. Failure to comply with any of the terms of the contract will imply a partial return of the funds paid up to the stage in which the failure occurs.



9. Bibliography (most of the items may be found in the Bibliography section of the project's webpage, <u>http://www.iadb.org/en/research-and-data/project-details,3187.html?id=4448</u>)

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