National Economic Strategy: Libya’s Moment for Action

Prof. Michael E. Porter

February 22\textsuperscript{nd}, 2007
Agenda

- Competitiveness in the modern global economy: essential principles
- Libya’s competitive position in a regional context
- Libya’s ‘Vision 2019’: progress update
- Accelerating economic development: the role of an Economic Development Board
What Is Competitiveness?

- Competitiveness is determined by the **productivity** (value per unit of input) with which a nation or a region utilizes its human, capital, and natural resources. Productivity determines a nation’s or region’s standard of living (wages, returns on capital, returns on natural resources)
  - Productivity depends both on the **value** of products and services (e.g. quality, uniqueness) as well as the **efficiency** with which they are produced
  - It is not **what** industries a nation or region competes in that matters for prosperity, but **how** firms compete in those industries
  - Productivity in a nation or region is a reflection of what both domestic and foreign firms **choose to do in that location**. The location of ownership is **secondary** for national prosperity
  - The productivity of **“local”** industries is fundamental to competitiveness, not just that of traded industries
  - Devaluation and revaluation do **not** make a country more or less “competitive”

- Nations and regions compete in offering the **most productive environment** for business
- The public and private sectors should play **different but interrelated roles** in creating a productive economy
### Inherited Prosperity

- Prosperity is derived from selling **inherited** natural resources
- **Dutch disease** and macroeconomic **volatility** undermine the non-resource economy
- Prosperity is constrained by **limits** on the amount of resources available
- The inflow of resource rents creates pressures for the **re-distribution of wealth** as interest groups seek a bigger share of the pie

### Created Prosperity

- Prosperity is derived from **creating products and services** that can be sold at profit in domestic and international markets
- Created prosperity includes the **realization of higher value** from natural resources
- Prosperity can only be created by **firms**
- Created prosperity is **unlimited**, based only by the innovativeness and productivity of companies and subsidiaries operating in the economy

#### Sources of Prosperity

- **Government** becomes the central actor in the economy as the owner and distributor of wealth
- Resource revenues allow **unproductive government policies and practices to persist**
- Resource revenues support **distortive subsidies**

- **Companies** are the central actors in the economy
- **Government’s** role is to create the enabling conditions to foster private sector productivity and new business formation
Assessing National Competitiveness

- A sound macroeconomic, political, legal, and social context creates the potential for competitiveness, **but is not sufficient**
- Only **firms** can create wealth, not government
There is an **inevitable link** between the needs of businesses and the needs of society.

The **competitiveness of Libyan companies** will depend heavily on such things as:
- Improving education and skill levels
- A trusted rule of law
- Safe working conditions
- A healthy population
- A sense of equal opportunity
- Protecting the natural environment

The **health of the Libyan society** will depend on such things as:
- A sustainable source of income and wealth for citizens
- Competitive companies that can create wealth
- Participation in the economy that is open to all citizens
- Workers that are productive

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*There is a long-term synergy between economic and social objectives, not conflict*
Competitiveness and Geographic Levels

Shaabias and Ports of Libya

- Al Aziziya
- Az Zawiya
- Tarhuna
- Al Khums
- Al Jufrah
- Sabha
- Gharyan
- An Nuqat al Khams
- Yafran
- Ghadamis
- Ash Shati
- Awdabri
- Murzuq
- Al Kufrah
- Al Fatih
- Al Jabali
- Akhdar
- Darnah
- Al Jufrah
- Al Jadda
- Al Khums
- Misratah
- Zlitan
- Tarabulus
- Awbari
- Surt
- Tubruq
- Ajdabiya
- Banghazi

Links with Neighboring Countries

- Total of 466.0 M people in the region (8x Libya’s population)

- Libya
  - 5.8 M

- Egypt
  - 70.7 M

- Sudan
  - 33.6 M

- Chad
  - 9.0 M

- Cameroon
  - 17.8 M

- Central African Republic
  - 4.1 M

- Nigeria
  - 146.2 M

- Eritrea
  - 4.6 M

- Mauritania
  - 2.8 M

- Western Sahara
  - N/A

- Tunisia
  - 10.1 M

- Algeria
  - 33.1 M

- Mali
  - 12.5 M

- Niger
  - 12.6 M

- Morocco
  - 30.1 M

- Tunisia
  - 10.1 M

- Libya and neighboring countries population, in million

- Competitiveness is affected by circumstances and policies all geographic levels
- Economic coordination among neighboring countries can improve competitiveness

Source: Libyan National Corporation for Information and Documentation, IMF (World Economic Outlook Database, 2006)
## Shifting responsibilities for economic development

<table>
<thead>
<tr>
<th>Traditional Approach to Economic Development</th>
<th>Modern Approach to Economic Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The <strong>central government</strong> drives economic development through policy decisions and incentives</td>
<td>• Economic development is a <strong>collaborative process</strong> involving government at multiple levels, companies, universities, and institutions for collaboration</td>
</tr>
</tbody>
</table>

- Competitiveness is most successful if it is a **bottom-up process** in which many communities, institutions and citizens take responsibility
- **Every** region and cluster can take steps to enhance competitiveness
- The role of the government should be to **foster a collaborative process**
The Green Book and the competitiveness concepts share essential principles:

- The importance of the general welfare of society
- Individual economic responsibility for their needs
- Freedom of choice
- Absence of discrimination
- The importance of productive economic contribution
- A bottom-up approach, which gives authority to communities

The challenge is to get the Libyan institutions aligned with the common principles of competitiveness and the Green Book
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- Competitiveness in the modern global economy: essential principles
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- Accelerating economic development: the role of an Economic Development Board
Libya’s prosperity growth is low compared to peer countries

GDP per Capita PPP adjusted, base 100 in 1980

Sorted by CAGR

1980 GDP/Capita in $ (PPP) | 2006 GDP/Capita in $ (PPP)
--- | ---
Ireland | 7,042 | 42,082
Singapore | 5,002 | 29,591
Malaysia | 2,299 | 11,915
Oman | 3,797 | 17,167
Turkey | 2,242 | 8,775
Norway | 2,173 | 8,393
Egypt | 11,372 | 43,481
Iran | 1,246 | 4,498
Morocco | 2,576 | 8,520
Bahrain | 1,529 | 4,665
Syria | 7,418 | 20,575
Algeria | 1,599 | 4,004
Jordan | 3,122 | 7,390
Nigeria | 2,285 | 4,854
Lebanon | 596 | 1,244
Libya | 3,438 | 6,426

Note: PPP = Purchasing Power Parity; Source: IMF (World Economic Outlook Database, 2006), Monitor analysis
Libya’s GDP economic performance has been especially weak outside the oil and gas sector.

GDP Breakdown by Energy vs. Non-Energy Activities, 2005, Selected resource-rich MENA countries

- UAE: 68% Energy, 33% Non-Energy
- Algeria: 62% Energy, 38% Non-Energy
- Saudi Arabia: 49% Energy, 51% Non-Energy
- Kuwait: 41% Energy, 59% Non-Energy
- Libya: 27% Energy, 73% Non-Energy

Note: Algeria data is for 2004
Source: IMF (Country Reports), Saudi Arabia’s Central Department of Statistics, Monitor analysis
Other MENA countries have experienced much more rapid economic progress

Financial Development Index in selected resource-rich MENA countries
2003, scale 0 to 10

FDI Inward Stocks for selected resource-rich MENA countries
2005, in USD Bn

Note: Financial Development Index is based on 6 measures: banking sector, non-bank financial sector, regulation and supervision, monetary sector, financial openness, institutional environment
Source: UNCTAD (World Investment Report 2006), IMF (Financial Sector Development in MENA), Monitor analysis
Other MENA countries have achieved significant improvements social wellbeing of their people

**Human Development Index (HDI)¹**

2004, value and rank²

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>Kuwait</td>
<td>0.871</td>
</tr>
<tr>
<td>39</td>
<td>Bahrain</td>
<td>0.859</td>
</tr>
<tr>
<td>46</td>
<td>Qatar</td>
<td>0.844</td>
</tr>
<tr>
<td>49</td>
<td>UAE</td>
<td>0.839</td>
</tr>
<tr>
<td>56</td>
<td>Oman</td>
<td>0.810</td>
</tr>
<tr>
<td>64</td>
<td>Libya</td>
<td>0.798</td>
</tr>
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</table>

**Improvement in Human Development Index (HDI) between 2000 and 2004**

<table>
<thead>
<tr>
<th>Country</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oman</td>
<td>0.059</td>
</tr>
<tr>
<td>Kuwait</td>
<td>0.058</td>
</tr>
<tr>
<td>Qatar</td>
<td>0.041</td>
</tr>
<tr>
<td>Bahrain</td>
<td>0.028</td>
</tr>
<tr>
<td>UAE</td>
<td>0.027</td>
</tr>
<tr>
<td>Libya</td>
<td>0.025</td>
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</tbody>
</table>

Note: ¹ Human Development Index is based on measures of life expectancy, education and GDP. ² Total of 177 countries
Source: UNDP (Human Development Report 2000 and 2006), Monitor analysis
Other MENA countries have instituted key reforms in economic and social policy

Governance Reform Index\(^1\) in selected resource-rich MENA countries
2000-2005 reform progress\(^3\), scale 0 to 100

<table>
<thead>
<tr>
<th>Country</th>
<th>Index 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>91</td>
</tr>
<tr>
<td>Bahrain</td>
<td>91</td>
</tr>
<tr>
<td>Oman</td>
<td>81</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>69</td>
</tr>
<tr>
<td>Kuwait</td>
<td>65</td>
</tr>
<tr>
<td>Libya</td>
<td>42</td>
</tr>
</tbody>
</table>

Trade Policy Index\(^2\) in selected resource-rich MENA countries
2005 current status\(^4\), scale 0 to 100

<table>
<thead>
<tr>
<th>Country</th>
<th>Index 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oman</td>
<td>71</td>
</tr>
<tr>
<td>Bahrain</td>
<td>56</td>
</tr>
<tr>
<td>Kuwait</td>
<td>53</td>
</tr>
<tr>
<td>Algeria</td>
<td>44</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>39</td>
</tr>
<tr>
<td>Libya</td>
<td>20</td>
</tr>
</tbody>
</table>

Regional and global corporate success stories are emerging in other MENA countries

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Key facts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabic</td>
<td>Saudi Arabia</td>
<td>Petrochemicals&lt;br&gt;● 10th largest petrochemicals company worldwide&lt;br&gt;● Average growth in profits of 58% over the past five years</td>
</tr>
<tr>
<td>Emaar</td>
<td>United Arab Emirates</td>
<td>Real Estate&lt;br&gt;● Projects across the region covering India, Egypt, Turkey, Morocco, Syria, Pakistan, Tunisia, Saudi Arabia, and UAE&lt;br&gt;● Impressive growth of 35% in annual profits up to $1.74 Bn</td>
</tr>
<tr>
<td>Emirates</td>
<td>United Arab Emirates</td>
<td>Airline&lt;br&gt;● Carries 14.5 million passengers to 87 destinations in 59 countries&lt;br&gt;● Even with fuel price pressure, managed to return a profit of $762 M on a turnover of $6.6 Bn</td>
</tr>
<tr>
<td>PWC Logistics¹</td>
<td>Kuwait</td>
<td>Logistics&lt;br&gt;● Global provider of supply chain solutions (in over 100 countries)&lt;br&gt;● Revenues multiplied by 3 in a year and by 30 in three years²</td>
</tr>
<tr>
<td>Al Jazeera</td>
<td>Qatar</td>
<td>Media&lt;br&gt;● Leading global news channel, operating from 4 worldwide broadcasting centers&lt;br&gt;● Although relying on government subsidies, audience reach is 50 M</td>
</tr>
</tbody>
</table>

Note: ¹ PWC Logistics has developed a new brand and is now called Agility. ² based on 2005 data
Libya has strengths that are essential to competitiveness

- One of the richest countries in North Africa, with high availability of natural resources
- Relatively equitable wealth distribution among the people
- Ready availability of capital
- Attractive geographical location, linking Europe to Africa
- Outstanding cultural and historical assets
Libya’s economic challenges

**Labor Productivity**
- Low labor productivity, particularly in public services
- Significant portion of the population employed in low quality or redundant jobs

**Position in International Markets**
- Stagnating overall exports, with almost no exports outside the oil and gas sector
- Limited foreign direct investment, with minimal progress in implementation of approved projects

**Breadth of the Economy**
- Economy dominated by the oil and gas sector
- Underdeveloped private sector, high dependency on public sector output
Libya’s weak business competitiveness is constraining potential prosperity levels

The Business Competitive Index explains 80% of the variation across countries in GDP per capita for purchasing power adjusted

Note: All calculations relative to average of all 111 countries (including Libya) in the sample
Source: Institute for Strategy and Competitiveness, November 2005; Libya Business Executive Survey 2005
The Libyan business environment needs major and rapid improvement in numerous areas

### Context for Firm Strategy and Rivalry

- Low labour cost
- Modest formal tariffs

#### Factor (Input) Conditions

- Large pool of investment capital
- Substantial oil and gas resources
- Weak financial sector
- Significant barriers to entrepreneurship
- Regulatory complexity
- Lack of new business information
- Weak job readiness skills of Libyan workers
- Inadequate and inefficient physical infrastructure

#### Demand Conditions

- Limited sophistication of local customers given isolation
- Libyan demand follows rather than leads international trends
- Public procurement focuses on price rather than quality

#### Related and Supporting Industries

- Energy cluster is quite developed
- NOC dominates the energy cluster, limiting private initiative
- Supporting industries (e.g. banking and business services) are very limited
- Cluster development outside the energy cluster is non-existent

Source: NES Analysis
Acceleration of Libya’s economic growth could have a huge impact on the standard of living of all Libyans.

Gross Domestic Product per capita PPP Adjusted
1989 – 2019, in USD

<table>
<thead>
<tr>
<th>Scenarios</th>
<th>Hypothetical CAGR</th>
<th>Time to double GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast growth (Malaysia, Indonesia, China and India)</td>
<td>6.9%²</td>
<td>10 years</td>
</tr>
<tr>
<td>MENA average growth</td>
<td>3.7%³</td>
<td>19 years</td>
</tr>
<tr>
<td>Continue current rate of growth</td>
<td>2.1%⁴</td>
<td>33 years</td>
</tr>
</tbody>
</table>

Source: International Monetary Fund (International Financial Statistics and World Economic Outlook Database), Monitor analysis
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• Accelerating economic development: the role of an Economic Development Board
Libyan leaders agreed last year on a new path to a more prosperous future

**Libya’s Past**

- Significant **isolation** from the outside world
- Focus on **equality** of living conditions and social standards
- **Oil revenues** as the main source of national prosperity
- Government **distribution** of oil revenues to address social needs

**Libya’s Emerging Future**

- Increasing **integration** with the international economy
- Enable **individual achievement** based on productive contribution
- Oil revenues supplemented by wealth creation in **other parts of the economy**
- Government improvement in economic and social condition to allow **private** wealth creation on competitive markets

*Parallel changes will need to occur across many parts of Libyan economy and society to enable a successful transition*
Core principles of Libyan economic reform

- Identify and build on **existing and potential strengths**, rather than focus solely on addressing weaknesses

- Achieve clear progress on **human development** in parallel to economic reforms

- Employ **accelerators of development** to rapidly upgrade the economy in order to compensate for decades of economic isolation
  - Engage the Libyan Diaspora to gain from their global experience
  - Attract Foreign Direct Investment to allow inflow of expertise and technology
  - Employ economic zones to lead reforms that will be implemented in the wider economy
  - Outsource management of concessions to improve efficiency and revenues
  - Set up specialized agencies to rapidly implement key reforms

Source: Michael E. Porter
Libya’s Economic Vision for 2019

- Build a **competitive national economy** that significantly **raises the standard of living** and provides opportunities for all Libyans

- **Upgrade** Libya’s **oil and gas cluster** to be among the world leaders

- **Diversify the economy** beyond the oil and gas cluster

- **Utilize Libya’s strengths** in geographic location, heritage and culture as bases for economic development

- Engage the **participation of all Libyan citizens** in shaping the nation’s economic future
## Outline of Libya’s National Economic Strategy

### Governance Improvement
- Democratic process (direct democracy)
- Special purpose agencies to accelerate key reform priorities
- National government structure
- Regional and local government structure

### People Development
- Skills Development
  - Work readiness training
  - Cluster-based training
  - Higher education
  - Labor market rules

- Leadership training

### Social Development
- Housing
- Healthcare
- Basic education
- Clean water

### Cluster Development
- Energy Cluster

### Business Environment Reform
- Private Sector Activation
  - Registration, licensing, permits
  - Property rights
  - Business regulation
  - Dispute resolution
  - Access to capital

- FDI and Internationalization
  - FDI rules and incentives
  - Diaspora engagement

- Banking and Financial System
  - Modern payments system
  - Banking regulation
  - Accounting and reporting standards

- Efficient Movement of Goods, People and Information
  - Information and Communication infrastructure
  - Roads, ports, airports, rail
  - Electricity
  - Customs, visas

- Restructuring the SOE Portfolio
  - Strategy for state-owned enterprises
Implementing Libya’s National Economic Strategy in 2006-7: limited progress

<table>
<thead>
<tr>
<th>Campaigns Ready for Launch</th>
<th>Some Progress</th>
<th>Limited Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance: consideration of an EDB</td>
<td>Restructuring of SOE Portfolio</td>
<td>Construction and Real Estate Cluster</td>
</tr>
<tr>
<td>Governance: other decision-making processes</td>
<td>Banking and Financial System</td>
<td>Efficient Movement of Goods, People and Information</td>
</tr>
<tr>
<td>Skills Development</td>
<td>Energy Cluster</td>
<td>Hospitality and Tourism Cluster</td>
</tr>
<tr>
<td>Private Sector Activation</td>
<td>Social Development</td>
<td>Agricultural Cluster</td>
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<tr>
<td></td>
<td></td>
<td>FDI and Internationalization</td>
</tr>
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- Accelerating economic development: the role of an Economic Development Board
An Economic Development Board (EDB) can be a key accelerator of Libya’s economic transformation

**Why have an EDB?**

- Create **focus** on **key economic priorities**
- Signal a **clear commitment** to reform and build investor confidence
- Effectively **coordinate** between different institutions
- Engage **world-class expertise** in reform programme

**Roles of an EDB**

- Design and implement **policies** and **action programs** addressing key priorities such as
  - Private sector activation & job creation
  - Human capacity development
  - Equitable wealth distribution
  - World-class technology & skills transfer
  - Globally competitive cluster development

An EDB can enable rapid implementation of priority reforms
Singapore’s economic strategy

**Phase**

- **1960s**
  - Job Creation
  - Labor Intensive Manufacturing
- **1970s**
  - Skill Development
  - High Value Manufacturing and Services
- **1980s**
  - Innovation and Knowledge
  - Technology and Knowledge intensive industries
- **1990s**
- **2000s**

**Goal**

- Leapfrog the immediate neighbors, to create a first world oasis in third world region
- Lead a second industrial revolution to move up the value chain
- Develop an environment where diverse companies can thrive through synergies

**Activities**

- **1960s**
  - Create an attractive environment for foreign investors
  - Improve investment environment
    - Tax incentives
    - Educated workforce
    - Migrant skilled labor
  - Invest in top-class infrastructure
- **1970s**
  - Upgrade workforce skills
  - Promote Singapore’s position in higher value-add clusters
  - Discourage low-cost manufacturing, e.g., by allowing wage levels to rise
  - Promote domestic SMEs
- **1990s**
- **2000s**
  - Continue supporting “cash cow” clusters (chemicals, IT, education, ports)
  - Promote innovation in emerging clusters, e.g., biotechnology
Singapore’s EDB plays a major role in realizing the country’s economic strategy

**Make Singapore a compelling global hub for business and investment**

**Mission of EDB**

- Make Singapore a compelling global hub for business and investment

**Key Activities of EDB**

- **Facilitate FDI**
  - Establish a single-window process for FDI
  - Proactively find and market to high priority investors

- **Position Singapore as a hub**
  - Define and market a unique positioning for Singapore
    - Leverage infrastructure and location as key selling points

- **Promote entrepreneurship**
  - Define areas where domestic enterprises can succeed
  - Provide technical and financial advice to local entrepreneurs

**Success Factors**

- **Focus**
  - Target only specific manufacturing and services industries, where Singapore has distinct offering, e.g. biotech, logistics
  - Hire professionals with the required expertise to achieve targets

- **Autonomy**
  - Set up EDB as a statutory board with independence:
    - Separate budget
    - Separate hiring and compensation

- **Collaboration**
  - Send EDB experts into other government departments on secondment
  - Invite government and private representatives to be on the board of directors and advisors

Source: SEDB website and Annual Report 2005/06, Monitor analysis
## Ireland’s economic strategy

<table>
<thead>
<tr>
<th>Phase</th>
<th>Job Creation</th>
<th>Sustainable Jobs and Spillovers</th>
<th>Innovation and Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960s</td>
<td>Any export Manufacturing</td>
<td>High-tech Manufacturing</td>
<td>Advanced Manufacturing and Services</td>
</tr>
<tr>
<td>1970s</td>
<td>Attract new export focused investments that create jobs</td>
<td>Do ‘whatever it takes’ to bring in growing technology companies</td>
<td>Deepen existing clusters and increase complexity of operations of multinational companies</td>
</tr>
<tr>
<td>1980s</td>
<td></td>
<td>Continue to upgrade investment environment (e.g., telecom)</td>
<td></td>
</tr>
<tr>
<td>1990s</td>
<td></td>
<td>Make education curriculum relevant to skills required by industry</td>
<td></td>
</tr>
<tr>
<td>2000s</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

### Activities

- **Job Creation**
  - Promote Ireland as FDI location, attracting projects in any sector
  - Improve investment environment
    - Tax holidays
    - Well-educated workforce
  - Control pay rises (central wage agreements and personal tax reductions)

- **Sustainable Jobs and Spillovers**
  - Continue to upgrade investment environment (e.g., telecom)
  - Make education curriculum relevant to skills required by industry

- **Innovation and Knowledge**
  - Develop an integrated strategy for competitiveness and innovation
  - Promote clusters where Ireland has inherent competitive advantage
    - Advanced manufacturing with low transport costs
    - Internationally traded services, e.g., software
  - Broaden strategic activities of existing multinational corporations

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Ireland’s IDA plays a major role in realizing the country’s economic strategy

**Win for Ireland, its people and its regions, the best in international innovation and investment**

<table>
<thead>
<tr>
<th>Mission of IDA</th>
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</thead>
<tbody>
<tr>
<td><strong>Key Activities of IDA</strong></td>
</tr>
<tr>
<td><strong>Education and Skills</strong></td>
</tr>
<tr>
<td>● Provide input to universities on job-relevant curriculum</td>
</tr>
<tr>
<td>● Fund “collaborative” research programs that involve industry and academia</td>
</tr>
<tr>
<td><strong>Business-friendly Environment</strong></td>
</tr>
<tr>
<td>● Design set of business friendly incentives for govt. to implement</td>
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<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td><strong>Attracting high quality FDI</strong></td>
</tr>
<tr>
<td>● Identify the specific manufacturing and service sectors to focus for attraction</td>
</tr>
<tr>
<td>● Develop clear strategy to attract investors in these sectors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Success Factors</th>
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</thead>
<tbody>
<tr>
<td><strong>Political Support</strong></td>
</tr>
<tr>
<td>● Ensure that the head of IDA has direct channel of communication with PM to rapidly overcome bottlenecks</td>
</tr>
<tr>
<td>● Insulate the IDA from the rest of the civil service</td>
</tr>
<tr>
<td><strong>Integrated Approach</strong></td>
</tr>
<tr>
<td>● Provide a whole range of business services under one roof</td>
</tr>
<tr>
<td>● Create a holistic promotion approach</td>
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<td></td>
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<tr>
<td><strong>Linkages</strong></td>
</tr>
<tr>
<td>● Regular meetings with key ministries to ensure a two way flow of information</td>
</tr>
<tr>
<td>● Head of IDA participates in important economic and enterprise policy making meetings</td>
</tr>
</tbody>
</table>

Source: IDA website and Annual Report 2005, Monitor analysis
Key lessons from development boards in other countries

- Explicit **support** of country’s **top leadership**
- Sufficient **autonomy** for effective decision-making
- Clear and specific **focus**
  - Concentrate on the **national priorities** of the particular country
  - Changing the mindset and culture
- **Skilled professional** management team
- Access to **leading experts** from home and abroad
- **Adequate budget** to implement its mandate