Terms of Reference

Paper for the World Development Report 2016 on
‘Best Practices and Lessons Learned in ICT Sector Innovation:
A Case Study of Israel’

The World Bank is seeking to hire a researcher / writer, as a short-term consultant, to work on a case study of “Best Practices and Lessons Learned in Innovation in the ICT Sector: A Case Study of Israel.”

The study should analyze how government policies (national and local) have contributed to the development of a vibrant ecosystem that has spurred a high rate of both technological innovation (e.g. VoIP, security software) and entrepreneurship, and describe the environment it has created.

The analysis and description should provide relevant recommendations for the World Bank’s client countries, ranging from middle income developing countries such as ‘emerging markets’, to low-income, small-sized or challenged economies.

This work is expected to be funded by a new partnership between the State of Israel’s Ministry of Economy and the World Bank, provisionally called “Israel Support for eGovernment and IT Industry Best Practices.”

Context

The 2016 edition of the World Development Report (WDR), the World Bank’s flagship report, follows the theme of Internet for Development. It will analyze the internet’s impact on economic growth, equity, and the efficiency of public service provision. The report will examine what factors have allowed some governments, businesses and households to benefit greatly from the internet and identify the critical barriers that limit gains elsewhere.

Based on a comprehensive review of the evidence and careful analysis, the WDR 2016 will draw out the main policy implications for countries that seek greater benefits from the internet. Because the private sector drives the internet economy—albeit on solid foundations created by governments—this will require a careful assessment of where market failures justify public policies. The report will propose specific policies for countries at different income levels and geographic location. Two main types of government policies are important: those that ensure widespread and affordable access to the internet (ICT policies) and complementary policies that better enable people and enterprises to take advantage of them (e.g., education and skills, business environment, bankruptcy laws, tax policies and so on).
This study, a paper on ‘Best Practices and Lessons Learned in ICT Sector Innovation: A Case Study of Israel’ will contribute, in particular to the analysis in chapters of the report on ICT Policies (4) and Complementary Policies (5). The conceptual framework is that both are necessary to achieve the boost in economic development that the internet promises.

Tasks
This study will be carried out by a researcher to be selected through a competitive selection process. The study report should cover the following:

- A brief history of the development of the ICT sector in Israel, focusing on mobile communications and the internet, covering, for instance, market liberalization and privatization in the telecommunications sector, the evolution of the policy and regulatory regime, the early development of international connectivity, and a snapshot of the state of the sector today.

- A description of government policies towards both the supply side (e.g., connectivity, equipment production) and the demand side (e.g., skills development, cybersecurity, privacy) of the ICT sector in Israel. The report should analyze both those policy initiatives that were adapted from elsewhere, as well as those of local origin. The aim should be to show what makes the internet ecosystem in Israel best practice, with a focus on relevance and adaption for developing countries.

- A detailed analysis of the ICT ecosystem for entrepreneurship in Israel, and the policy environment that has helped shape it, covering both sector specific issues (e.g., telecoms regulation, internet governance) and the general business environment. The analysis should include:
  - The role of universities and research centres in promoting technological innovation;
  - Foreign direct investment and specific government policies intended to attract technology investment;
  - Israel’s foreign partners, especially in terms of education and commerce, and its role models in terms of other national policies it may have sought to emulate;
  - The role of government procurement in stimulating the development of indigenous capacity;
  - Attempts, if any, by the government to “pick winners” in terms of targeting specific technologies or innovations;
  - Policies on immigration, the free flow of skilled workers and availability of work permits;
  - The emergence of clusters of high-tech firms and the role, if any, the government’s spatial policy may have played in this;
  - Facilities, both public and private, such as business incubators, science parks or other economic zones designed to offer assistance to start-ups and SMEs;
  - The role of government in identifying, nurturing, encouraging and supporting internet startups and internet entrepreneurs;
  - The role of government in creating and sustaining a vibrant Venture Capital and financing industry;
  - Failures, as well as successes, of government initiatives;
  - A statistical summary (e.g., number of firms, jobs created etc) of the ICT sector in Israel;
• Recommendations for developing countries, divided by country types (middle income, low income, small economies, etc)
• Additional relevant areas the researcher may propose.

Descriptions of government policies, initiatives and activities should ideally include information on budgets and cost, where available.

• Brief descriptions of successful ICT start-ups focusing on the innovation and incubation process, looking at the origins of entrepreneurs, the start-up process, what assistance they may have received in their first few years, and on what environment their success depended. The research should propose a list of around seven candidate companies from which the Bank team and the researcher should select five for profiling in the report.

• Brief comparisons with other similar countries, such as Singapore or Estonia, that have also sought to promote an entrepreneurial ICT culture, and identification of similarities and differences in approaches.

• A section that should analyze the distinctive ingredients that make Israel a “start-up nation”, including social and cultural as well as economic factors.

• The conclusion should try to measure the progress that has been made using quantitative means and should identify which policies might be usefully replicated in developing countries.

Duration and Deliverables

It is anticipated that researcher would work for around 60 days during a period that starts with the signing of the contract and concludes no later than 31 March 2015. The researcher will be required to deliver both an in-depth report (of around 40 pages), a 4 page summary focusing on the policy recommendations for governments, plus a short summary that will be tailored by the World Bank team for inclusion as a Box in the WDR 2016. The in-depth report will be part of the body of research published on the Bank’s WDR 2016 website alongside the main report. In addition, the researcher should provide a select bibliography relevant to the topic and propose visual material (eg charts, photos, graphs, video, audio, maps) that could be considered for inclusion. The report should be written in fluent, near-native English that does not require substantial grammatical editing for re-usage. The researcher should deliver:

• A brief, practical inception report, with a proposed table of contents and draft outline of the report, and a list of candidate companies to be profiled. The inception report should also contain a preliminary set of assumptions of what the report may include, to be delivered around 10 November;

• A draft report (including a proposed summary) to be delivered around 15 January 2015;

• A draft final report and summary to be delivered around 15 February 2015, which will undergo a World Bank peer review;

• A final report, to be delivered around 15 March 2015, incorporating comments from World Bank reviewers (internal and external)

• A 4 page summary of the content, focusing on the policy recommendations for developing country governments, to be published separately as an ‘ICT Policy Note.’
**Qualifications**

The researcher should have, at a minimum:

- An advanced degree in a relevant discipline, such as economics, international affairs, electronic engineering, business studies, computer sciences;
- At least seven years of relevant experience;
- A good knowledge of the ICT sector and a good knowledge of the workings of government, and the Israeli government (national and local) in particular;
- A strong publications record (candidates may submit URLs with links to published work) that is relevant to the topic, including peer-reviewed material published in English;

Candidates responding to this call for expressions of interest should send an updated CV, a select bibliography of their publications and a cover letter. Applications should be submitted through the World Bank’s eConsult system at: [https://wbgeconsult2.worldbank.org/wbgec/index.html](https://wbgeconsult2.worldbank.org/wbgec/index.html). Click on “Business Opportunities” the search for selection number #1161798.