



PROJECT NOTIFICATION

Ref. No. 19-RP-50-SP-RES-C-PN2000014-003

PN Issue Date	16 March 2020
Project Code	19-RP-50-SP-RES-C
Title	Policy Advisory Consultancy Project on Achieving Sustainable Productivity Growth
Timing	Seven months commencing from 11 March 2020
Venue	Bangladesh
Implementing Organization(s)	National Productivity Organisation (NPO) of Bangladesh

1. Objectives

To assist the NPO of Bangladesh in formulating and operating action plans for SMEs based on the national productivity plan with the following specific targets: 1) improve capacity to leverage and sustain productivity and competitiveness; 2) increase (labor) productivity through innovation and building a robust SME ecosystem; 3) raise the level of competitiveness; 4) develop more efficient regulatory frameworks and more transparent administrative processes; and 5) align national productivity improvement plans with long-term development agendas.

2. Background

Sustainable productivity growth is a vision incorporated in the economic development policies of countries worldwide. As the leading international organization tasked with promoting productivity in the region, the APO offers a holistic set of programs to enhance member countries' labor productivity through innovative digital technologies and raise their economic competitiveness through sustainable productivity measures. The overall APO vision is to improve the productivity and enhance the competitiveness of its members.

However, several APO member economies are among the lowest in the Global Competitiveness Index (GCI) 2016–2017 rankings. Since the GCI is correlated with economic competitiveness and labor productivity, those rankings indicate serious challenges faced by less developed member countries.

To address this at the national level, the APO is providing policy advisory services for its members in areas such as formulating national productivity master plans (PMPs) or assisting in the development of national policy frameworks relevant to productivity and innovation. So far, three plans have been developed with assistance from the APO Secretariat, including ones for both Bangladesh and Fiji which were financed by a FY2018 Special Cash Grant from the Ministry of Foreign Affairs of Japan (MOFA), demonstrating the success of such services as part of cooperation in development policies in the region.

Such plans and frameworks tend to emphasize the key role of SMEs, which form an important pillar of member economies, as governments' longer-term objectives include establishing a robust ecosystem to incubate startups and allow SMEs to flourish not only domestically but also internationally.

3. Scope

The project will support the in-country initiative to contribute to building an ecosystem for innovation and SMEs at the macro policy level. The following are the priority areas/activities to be covered:

- a. Development of a national action plan for SMEs and innovation including a policy paper, etc.;
- b. Establishment of sectoral and/or regulatory frameworks to increase innovation and help SMEs;
- c. Alignment of the national action plan with national productivity improvement plans & long-term development agendas;
- d. Strengthening policy and regulatory frameworks related to the ecosystem for SMEs and for boosting innovation;
- e. Research to support innovation policy formulation; and
- f. National-level capacity development projects that are innovative or strategic, while also introducing new processes, knowledge, tools, etc.

4. Methodology

This is a policy consultancy project carried out through several stages of activities. The methodologies adopted for FY2019 projects will be consistent with the FY2018 projects to allow a member country to benefit from development consultancy/policy advisory services under an equivalent framework. The policy assistance service will be carried out through a series of interventions, as outlined below.

Step 1: Assessment of the current situation for SMEs and the ecosystem in a member country by an assigned expert(s). Bangladesh has hoped to develop action plans for SMEs and innovation ecosystem establishment based on the Phase 1 national PMPs. In Step 1, the beneficiary countries will seek to assess the current situation for SMEs and the overall ecosystem and determine the gaps through various methods such as interviews with relevant stakeholders and secondary sources as well as relevant raw data.

Step 2: Preparation of an action plan for SMEs, focusing on the priority areas identified in the assessment. An action plan will include establishing innovation policies (aligned with national economic plans); formulating appropriate strategies (covering regulations and infrastructure, programs, publicity and promotion, stakeholder engagement, incentive schemes, etc.); identifying specific initiatives to be undertaken; and outlining the monitoring and review mechanism.

Step 3: Building up competencies in the member country to implement the action plan, monitor the progress made, determine further actions, and sustain related efforts. This will be done in the final stage through the engagement of relevant national stakeholders.

Step 4: Providing technical assistance in implementing the action plan, including monitoring and reviewing the progress of activities. While Steps 1–3 are mandatory in the design of this policy assistance, Step 4 is taken only when a member country requests assistance in implementing the action plan and the APO approves the request.

Time frame: up to 28 weeks (interviews with the relevant local organizations for a maximum of two weeks and a few days for a dissemination workshop).

5. Financial Arrangements

To be met by the host country

All local implementation costs not covered by the APO.

To be met by the APO

The APO will meet the costs for assigning international resource persons and provide financial support (no more than USD 5,000) in selected areas as follows:

- a. Expenses related to coordination/consultation meetings with relevant stakeholders;
- b. Transportation costs as well as any other costs incurred for data/information collection during the preparation stage and/or during the in-country diagnostic stage of the project;
- c. Preparing and compiling materials related to the in-country diagnostic stage as well as synthesizing and consolidating activities; and
- d. Translation/interpretation fees related to resource persons' activities, if any.

For reimbursement of the above costs, NPO should provide all necessary bills and receipts that must be issued by third parties to the APO after completion of the project. The final applicable payment will be based on the actual expenditure.

6. Actions by the Member Country

- a. Submit a proposal containing all the necessary information required for approval including time frame and structure of the project management unit, if necessary, or an official letter of request for policy consultancy to the APO Secretary-General;
- b. Appoint one NPO staff member to act as the focal contact point with the APO and host NPO, who will be responsible for all necessary actions before and after the project as well as liaising with the partner organization(s);
- c. Provide budget not covered by the APO;
- d. Draft a detailed plan for all local arrangements for the project; and
- e. Ensure smooth implementation of the project in the country.


7. Actions by the APO Secretariat

- a. Design the approach/methodology of the project;
- b. Assign a Japanese resource person(s);
- c. Coordinate and carry out consultations with both the resource person(s) and NPO;
- d. Monitor the overall project; and
- e. Provide administrative and financial support.

8. Final Project Output

The project is expected to deliver an action plan for SMEs and innovation. Action plans for SMEs and innovation can contribute to creating a robust ecosystem with a virtuous cycle for SMEs and innovative startups which is to encourage innovation. The ecosystem will help to catalyze disruptive innovation in the beneficiary member country. This action plan for SMEs/an innovation ecosystem means improving access to skills, knowledge networks, finance, education and training, infrastructure and innovation-friendly regulations.

Follow-up activities such as a dissemination workshop will be conducted later upon consultation and agreement between the NPO and APO Secretariat.



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Secretary-General