



PROJECT IMPLEMENTATION PLAN

14 September 2018

1. **Project Code** 18-RP-46-GE-SNP-C-03
2. **Title** Development of the National Productivity Master Plan
3. **Timing and Duration** 17 September 2018–14 December 2018
4. **Venue** Phnom Penh, Cambodia
5. **Implementing Organization**
National Productivity Centre of Cambodia (NPCC)
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6. Background

Sustaining productivity growth is a central theme of the economic development policy of every country. The fact that all aggregate determinants of economic growth, particularly labor and total factor productivity growth, affect the standard living underlines the significance of mainstreaming productivity improvement into development agendas. The ability to improve the quality of products or services or to find ways to create better ones depends on innovation.

The links among productivity improvement, economic development, and better standards of living are obvious. For those links to be functional, a set of preconditions must be met. The institutionalization of productivity enhancement within the overall development policy is one of the most important preconditions. Policies supporting the creation of a favorable environment for innovation, including those facilitating business-model innovation, are necessary. Policy approaches that strengthen competition, improve resource allocation through better firm dynamics, and encourage the market entry of disruptors must be developed and administered. Subsidies for education, establishing industry–academia linkages, and promoting innovation in public services can also be significant in improving productivity through innovation.

Several APO member economies are ranked low in the Global Competitiveness Index 2016–2017. Some have even shown downturn trends in recent years. Since the index reflects competitiveness combined with productivity, this global report gives a clear picture of national productivity challenges. Any endeavors to increase institutional capacity to become more productive must consider multiple requirements from a macro perspective with long-term dimensions. These are in line with the primary role of the APO, which is to contribute to the sustainable socioeconomic development of its member economies through enhancing

productivity and competitiveness. The APO is also working to strengthen its role as a policy advisory body on productivity for its members through all possible avenues.

The ultimate objective is not simply improved productivity and national competitiveness but also greater inclusiveness and enhanced well-being. The latter has particular significance to prevent the widening income inequalities in economies ranked low in competitiveness reports.

7. Objectives

This institutional capacity-building consultancy project aims to assist targeted APO member economies to meet the prerequisites for sustaining productivity improvement and ultimately to create well-functioning institutional settings for national productivity drives.

8. Scope, Methodology, and Time Frame

This is a policy consultancy project carried out through several stages of activities.

Step 1. Identification of key issues consists of: 1) situational analysis through desk research performed in the consultants' countries of residence, including analysis based on national documents and data to deliver a preliminary set of findings on the current situation of the country under study; and 2) in-country diagnostic research to identify key productivity levers among internal and external factors affecting productivity at national and industry levels.

Engagement with NPOs may be in the form of gaining access to relevant documents and data as well as arrangements for interactions with key stakeholders in the country.

Time frame: up to 35 working days (21 days in the consultants' countries of residence and 14 days in Cambodia).

Step 2. Consolidation and synthesizing involves 1) consolidation and synthesizing the findings from the situational analysis and diagnostic research to recommend actions; and 2) presenting findings and recommendations to the NPO and relevant stakeholders to obtain their views for developing the national productivity master plan.

Engagement with NPOs may include confirmation of the findings and recommendations as well as arrangements for interactions with key stakeholders in the country.

Time frame: up to three days in Cambodia.

Step 3. Development of the productivity master plan is done after confirmation of the proposed findings and recommendations as well as any other relevant inputs such as a review of the current situation, overall objectives and goals, key productivity levers, and strategies for the future. The master plan will then be presented to the NPO and stakeholders, who, after agreement, can adopt it as the official national productivity plan or use it as the first draft for the development of a national productivity plan.

Engagement with the NPO may take the form of ensuring stakeholders' availability to determine the course of action and time frame, approving and launching the productivity plan, and necessary follow-up actions.

Time frame: up to 20 days (19 days in the consultants' countries of residence and one day in Cambodia).

9. Roles and Responsibilities

The roles and responsibilities of the NPCC and APO are:

NPCC

- a. Play an active role in the relevant activities mentioned in Part 9. Scope, Methodology, and Time Frame;
- b. Assign a program manager to provide daily support to consultants, stakeholders, and the APO Secretariat;
- c. Provide budget not covered by the APO;
- d. Make all local arrangements for the project; and
- e. Ensure smooth implementation of the project in the country.

APO

- a. Design the approach/methodology of the project;
- b. Assign international consultants;
- c. Coordinate and carry out consultations with both consultants and the NPO;
- d. Monitor the overall project; and
- e. Provide administrative and financial support.

10. Financial Arrangements

The APO will bear all costs related to assigning international consultants, while the NPCC will be responsible for all local implementation costs.

11. Final Project Output

The project is expected to deliver a productivity master plan that can be adopted as the official national productivity plan or be used to develop the official national productivity plan.

Follow-up activities such as monitoring the development of the national productivity plan and/or overall monitoring and evaluation of the impact of the project will be determined later upon consultation and agreement between the NPO and APO Secretariat.



Dr. Santhi Kanoktanaporn
Secretary-General

cc: APO Liaison Officer for Cambodia

