



PROJECT IMPLEMENTATION PLAN

28 December 2018

1. **Project Code** 18-RP-50-SPP-RES-C-01
2. **Title** Policy Consultancy on Innovation-driven Productivity Improvement
3. **Reference** APO Project Notification for 18-RP-50-SPP-RES-C Policy Consultancy on Innovation-driven Productivity Improvement
4. **Timing and Duration** 14 January–29 April 2019
5. **Venue** Suva, Fiji
6. **Implementing Organization** National Training and Productivity Center (NTPC)
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7. Background

For over 40 years since its independence, Fiji has shown growth of around 3% a year. Limited export activities, low levels of investment, and narrow skill intensity are contributing factors to the slow growth. Structural transformation from low-skilled agriculture to productive sectors such as industry and service has not increased aggregate productivity, since average total factor productivity growth over the same period hovered at around zero. In an attempt to achieve higher growth and a more productive economy, the national development plan aims to double real per capita income by 2035. The goal needs to be supported by at least 5% annual GDP growth, significantly higher than that achieved over the past four decades. This will require substantial investment. Optimal labor market regulation is needed to increase low labor productivity, a key factor in boosting aggregate productivity. An effective productivity regulatory framework is therefore a precondition for climbing the productivity ladder.

A general recipe for productivity-led growth is the institutionalization of productivity enhancement within the overall development policy and the easing of institutional constraints. Policies supporting the creation of a favorable environment for innovation are necessary, along with structural reforms that strengthen competition, improve resource allocation through better firm dynamics, and encourage the market entry of disruptors. Encouraging private investment and exports through ensuring the existence of market returns would help create more productive jobs as well as expand skill intensity in the labor market.

8. Objectives

To assist Fiji to develop its national productivity master plan that can be adopted to revise its official national productivity framework.

9. 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 (14 January 2019–2 March 2019):

Up to 35 working days, (22 days in the consultants' country of residence and 13 days in Fiji).

Step 2. Consolidation and synthesizing involve 1) consolidating 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 (3–5 March 2019):

Up to three days in Fiji.

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 (6 March 2019–5 April 2019 and 29 April 2019):

Up to 20 days (19 days in the consultants' country of residence and one day in Fiji).

10. Roles and Responsibilities

The roles and responsibilities of the NTPC and APO are:

NTPC

- 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. Act as a liaison in relation to the activities mentioned in Part 9. Scope, Methodology, and Time Frame;
- d. Provide budget not covered by the APO;
- e. Make all local arrangements for the project; and
- f. 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.

11. Financial Arrangements

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

12. 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 Fiji

