



## PROJECT IMPLEMENTATION PLAN

<b>PIP Issue Date</b>	15 February 2019
<b>Project Code</b>	18-RP-50-SPP-RES-C-02
<b>Title</b>	Policy Consultancy on a Productivity-driven Growth Strategy in Bangladesh
<b>Reference</b>	APO Project Notification for 18-RP-50-SPP-RES-C Policy Consultancy on Innovation-driven Productivity Improvement
<b>Timing and Duration</b>	6 April–21 June 2019
<b>Venue</b>	Dhaka, Bangladesh
<b>Implementing Organization(s)</b>	National Productivity Organisation (NPO) Ministry of Industries

## 1. Background

Supported by an inclusive growth strategy, particularly through the empowerment of women and offering a better environment for manufacturing firms to grow and create more employment, Bangladesh has successfully transformed its economic structure since the 1980s, recording a strong growth performance of 5–6%. The recent achievement of middle-income status by Bangladesh is one of Asia's most remarkable success stories. While the recent high growth has resulted in a declining trend in poverty, flourishing employment opportunities, and better access to healthcare, education, and basic infrastructure, a new strategy is required to achieve the country's goals of becoming an upper middle-income country by 2021 and then to achieve high-income status by 2041 supported by even stronger annual growth of at least 7.5–8%.

The economy's growth pattern during the period 1981–2014 indicates that a reliance on factor accumulation was the main driver. Diminishing returns will soon be evident if the pattern continues, creating a downward growth trend. Productive sectors in the economy remain susceptible to the initial phase of economic progress featuring dependence on export-oriented, low-cost, narrow-based manufacturing. Such economic constraints necessitate solutions focusing on raising the skills of human capital as well as the optimal utilization of technology to unleash the potential for growth. In addition, when institutional prerequisites for economic advances are not in place, socioeconomic barriers lead to the risk of the middle-income trap and jobless growth. A productivity-driven growth strategy appears to be the way forward. The strategy gains even more importance since it comprehensively involves all elements in the economy needed for enhancing productivity.

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 market returns will help create more productive jobs as well as expand skill intensity in the labor market.

## 2. Objectives

To assist Bangladesh in creating its national productivity master plan that can support long-term development as well as any other relevant development policy agendas.

## 3. 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 consultant's country 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 (tentative: 6–26 April 2019 and 2–15 May 2019): Up to 35 working days (21 days in the consultant's country of residence and 14 days in Bangladesh).

**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 (tentative: 16–17 May 2019): Up to two days in Bangladesh.

**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 (tentative: 19 May 2019–6 June 2019 and 21 June 2019): Up to 20 days (19 days in the consultant's country of residence and one day in Bangladesh for final presentation of the master plan).

#### **4. Roles and Responsibilities**

The roles and responsibilities of the NPO of Bangladesh and APO are:

##### **NPO**

- a. Play an active role in the relevant activities mentioned in Part 3. 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 3. 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 discussions with both consultants and the NPO;
- d. Monitor the overall project; and
- e. Provide administrative and financial support.

#### **5. Financial Arrangements**

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

#### **6. 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.



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Secretary-General

