

## **Comprehensive Private Sector Assessment Scope of Work**

### **Overview:**

The Government of Bangladesh has set an ambitious goal of becoming a middle income country by 2021. To achieve middle income status, it will require an average annual GDP growth of 7.5% - 8%. In order to achieve this growth rate, Bangladesh will need a well-diversified and vibrant private sector with significant potential for growth. Studies show, faster growth will depend on a few primary factors: (i) increased investment, (ii) faster human capital accumulation, (iii) enhanced productivity growth, and (iv) increased outward orientation. A key strategy based on these factors would be to focus on growth-oriented and income generating priority sectors outside of the Ready Made Garment (RMG) industry. USAID aims to support private sector development in Bangladesh, facilitate investment in sectors beyond the RMG sector, and generate growth in the emerging areas of the economy with the aim of generating employment and increasing income.

The purpose of this activity is to provide USAID/Bangladesh (also referred to as 'the mission'), its partners and other stakeholders with a comprehensive assessment of priority sectors in Bangladesh and identify opportunities for USAID investment. The study will also help inform USAID/Bangladesh's current activities as well as future program designs and strategy.

The estimated LOE necessary to provide the two primary deliverables is expected to be 100 days, from Sept 02, 2018.

### **Background:**

Bangladesh faces a tremendous challenge. How will it provide jobs for the 20 million young people set to join the labor force over the next decade?

According to the International Labour Organization (ILO), the most disadvantaged in finding work are those who attain higher levels of education: the unemployment rate of a young person with a primary education was half that of a young secondary graduate, 6.4 and 12.3 percent, respectively. The outlook was bleaker for university educated youth who experience an unemployment rate of 26.1 percent.<sup>1</sup> How does Bangladesh turn this challenge into an opportunity?

In a recent World Bank study<sup>2</sup> it was noted that the country has relied on the garment sector to drive its economy and exports, as well as to employ many workers. This was successful in many ways, but if the country is to meet its aim of becoming a middle-income country by 2021, there is more work to be done. While Bangladesh may continue to see success with its export of

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<sup>1</sup> [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_537748.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_537748.pdf)

<sup>2</sup> <https://www.worldbank.org/en/news/feature/2017/11/14/creating-jobs-and-diversifying-exports-in-bangladesh>

garments, job growth in the sector is stalling. The RMG sector faces challenges on many fronts and competition from other established and emerging countries. Diversifying exports beyond garments may be an answer to Bangladesh's employment conundrum. The Joint Secretary of the Ministry of Commerce of Bangladesh, Md. Obaidul Azam, said, "Bangladesh's achievement in ready-made-garments is remarkable. However, dependence on a single sector for a majority of export earnings is risky. To sustain the economic growth amidst the current global landscape, we need to improve competitiveness of several other promising sectors to diversify our export basket."

USAID is committed to developing programming that supports Bangladesh in overcoming the economic growth challenges by supporting a dynamic and growing private sector.

**Purpose:**

This assessment will provide USAID/Bangladesh, its partners and other stakeholders with a comprehensive analysis of priority sectors, beyond the RMG sector, and identify investment opportunities for USAID current and future support.

The private sector is an important and critical contributor to development progress, and USAID is committed to building the agency's capacity to identify and invest its limited funds in sustainable and strategic economic growth initiatives that drive greater development results.

**Deliverables & Specific Tasks:**

1. Comprehensive private sector analysis by assessing the key sectoral capacity of alternative sectors to the RMG sector in Bangladesh - 50 pages, excluding summaries and annexes
2. Opportunities and best use of USAID's limited investment funding to engage with the private sector to support economic development in Bangladesh.

Detailed Description of Deliverable 1

**Comprehensive private sector analysis by assessing the key sectoral capacity of alternative sectors to the RMG sector in Bangladesh**

Through research, analysis, and consolidation of existing literature and data the review will provide:

- a) Overview (5 pages with a 1 page executive summary) - Overview of the role of private sector firms in Bangladesh, brief about the selected sectors, including the economic impact of those sectors to become a middle income country and the current capacities of those sectors.

- b) Assessment body (45 pages, excluding annexes) – Deep dive on achievements, limitations, opportunities and resources available on the sectors listed below and their impact and potential impact on the economy of Bangladesh as it aims to achieve middle income status by 2021. In the analysis, the report should identify the impact the sector will have on youth unemployment, paying particular attention to inclusive development, namely opportunities for gender diverse communities. It should also identify and policy or regulatory limitations, slowing growth within that sector.

The following sectors should be addressed in the analysis:

- Ceramics
- Health Care
- ICT and Outsourcing
- Medical Equipment
- Pharmaceuticals
- Plastic
- Renewable Energy and Energy Efficiency
- Agri-business (including commercialization of agriculture and agribusiness)
- Ship Building
- Automotive/ Truck/ Buses Assembly
- Leather and Leather Goods
- Light Engineering
- Tourism
- Telecommunication
- Shrimp and Fish
- Entrepreneurship

#### Detailed Description of Deliverable 2:

#### **Opportunities and best use of USAID's limited funding to engage with the private sector and support sustainable economic development in Bangladesh.**

Recommendation Paper (5 pages with slide show presentation and 1 page executive summary)- In order to help shape and inform future programming design and current program implementation, the consultant(s) will create examples and provide a series of prioritized recommendations at the end of this consultation to USAID/Bangladesh. The recommendations should be practical in nature with a focus on sustainable interventions. The recommendations should also prioritize sectoral interventions where USAID could have the most impact.

Through the assessment and deliverables, the consultant(s) are expected to:

- i. Share the findings of the comprehensive sectoral capacity with all Mission staff;
- ii. Develop a common understanding of sectoral priority and how current projects individually and collectively address various aspects of private sector engagement through USAID Bangladesh's limited investment fund;

- iii. Identify existing Mission/partner data sources and indicators that capture the contribution of programs to addressing private sector engagement around these sectors;
- iv. Identify opportunities and strategies to deepen or expand programmatic contributions to addressing private sector engagement around those recommended sectors.

**USAID Inputs:**

The following inputs may be incorporated into the comprehensive risk and resilience capacity review:

- **USAID assessments & recommended documents:** USAID/Bangladesh will compile a list of relevant assessments, information, and other documents, that may be used as inputs for this assessment. The USAID/Bangladesh point of contact (POC) will give this information to the consultant once there is a signed contract.

The consultant(s) will be expected to use additional research including, but not limited to, publications, meetings, interviews, and focus groups.

**Level of Effort (LOE):**

The estimated LOE necessary to provide the two primary deliverables is expected to be 100 days, from Sept 02, 2018. Domestic travel may be required. The consultant(s) will gather any data and conduct communication remotely or within the Mission.

**Timeline:**

Deliverables	Timeline	Delivered product
Progress update	30 days	End of inception, consultant(s) will meet with USAID to provide a progress update.
Progress update	75 days	End of data collection, consultant(s) will meet with USAID to provide a progress update.
First draft of Deliverable 1	90 days	First draft – presented to USAID for comment and review
Final draft of Deliverable 1	100 days	Final – presented to USAID f

**Application Format:**

1. A proposal, no more than five (5) pages (excluding annexes and CVs), describing how the assessment objectives will be met through every stage within the specified timeframe, including methodology and technical approach;

2. Technical qualifications of the team /individual including CVs and references for all proposed personnel and demonstrated awards or recognition of aptitude to be submitted with the proposal;
3. Tentative work schedule and timeline;
4. Budget including description of costs for personnel, travel (domestic only, international travel will not be required), logistics, workshop, and report presentation costs.

**Proposal Evaluation:**

USAID will evaluate proposals based on the following criteria:

1. Technical quality and feasibility of the approach to conduct the assessment under the proposed deadlines will be a factor in the evaluation of all proposals. Proposals should include a description of the proponent's proposed methodology to perform the study. (50%)
2. The capacity of organization will be a factor in the evaluation of all proposals. Specifically, proposals will be evaluated as to whether the individual/organization itself has experience and capacity in respect of personnel and equipment, finance and experience to Bangladesh to perform this type of work. (20%)
3. Experience and qualifications for conducting high quality study of similar nature in developing countries and prior experience in Bangladesh. (30%)

**Procurement Method:**

This procured to engage a consultant or consulting group will be made through simplified acquisition in accordance with FAR part 13.

**The deadline for submission of application (per the SOW):** August 20, 2018.

**Where to send the application:** The application can be submitted by email only to: [dhakaprocurement@usaid.gov](mailto:dhakaprocurement@usaid.gov)