



PROJECT NOTIFICATION

Reference No.: 431

Date of Issue	2 July 2024
Project Code	24-RC-11-GE-RES-A
Title	Research on Raising Informal-sector Productivity
Timing	8 July 2024–31 December 2024
Hosting Country(ies)	Not Applicable
Venue City(ies)	Not Applicable
Modality	Online
Implementing Organization(s)	APO Secretariat
Participating Country(ies)	All member countries
Overseas Participants	Not Applicable
Local Participants	Not Applicable
Closing Date	17 September 2024
Remarks	The closing date is the deadline for submission of proposals by research institutions. Please refer to the implementation procedures for information.

Objectives	Study the effects of the informal sector on productivity in APO member economies, identify trends in and determinants of informal-sector productivity and impacts on national economies, and examine policy interventions to manage the informal sector to improve productivity growth and achieve better socioeconomic outcomes.
Rationale	The informal sector is characterized by low productivity while posing challenges for inclusive growth. It employs a vast share of the labor force in APO members. Multicountry analysis allows hypotheses about informal-sector effects on economies to be tested, enabling identification of factors, determinants, and policy implications.
Background	<p>Informal-sector employment shares range from over 80% in some developing APO members, including numerous women, to 26% in the ROK (ILO data). Informal-sector enterprises suffer from low economies of scale and lack of access to finance, undermining their productivity. Countries with larger informal sectors fare less well in inclusive development with lower productivity, fiscal resources, financial deepening, capital accumulation, institutional quality, empowerment of women, and social security coverage. However, informal sectors encourage entrepreneurship and digital technology use, providing secondary jobs in times of high inflation.</p> <p>While the APO publication “Issues and Challenges on the Productivity Performance of the Informal Sector in Selected APO Members” (2023) provides descriptive case studies of informal sectors in developing members, the objective of this research is integrated multicountry analysis to test, measure, and provide insights on inclusive growth.</p>
Topics	Measuring informal-sector productivity in APO members and reference economies; Multicountry analysis of informal-sector productivity; Characteristics of informality; Determinants of informality; Effects of informality on inclusive development; and Policy recommendations.
Outcome	A report on the impact of the informal sector on productivity in APO members and reference economies with integrated multicountry data analysis using econometric approaches; insights into causes, effects, and characteristics of informal sectors in APO members; and policy recommendations.
Qualifications	Research institutions specialized in informal-sector issues, productivity measurements of national economies and sectoral approaches, inclusive economic growth, and multicountry studies on current socioeconomic trends in the Asia-Pacific region, with a track record of publications in English.

Please refer to the implementation procedures circulated with this document for further details.



Dr. Indra Pradana Singawinata
Secretary-General

IMPLEMENTATION PROCEDURES FOR APO RESEARCH PROJECT ON RAISING INFORMAL- SECTOR PRODUCTIVITY (DIGITAL MULTICOUNTRY)

1. Methodology

- a. Submission of proposals: Interested research institutions submit their research proposals to the APO Secretariat by the deadline.
- b. Multistakeholder consultative meeting: To finalize the plan for the research, a meeting will be held virtually, tentatively in October 2024. The indicative agenda items and tentative timeline are:
 - Research overview: September 2024
 - Proposals for the study by research institution: September 2024
 - Discussion on implementation of the study: October 2024
 - Finalization of the research plan and initiation of research: October 2024
 - Completion of research: December 2024
- c. Joint study implementation: The research team will collect, process, and analyze data for the report. The final report will be submitted to the APO Secretariat by the end of June 2025.

2. Tasks of Selected Research Institution

- a. Assisting and working with the APO Secretariat in developing the research framework.
- b. Finalizing the methodology and outline of the report structure with the APO Secretariat.
- c. Collecting data for the research (including communicating with the original data owners) and analyzing them based on the agreed framework and methodology.
- d. Preparing the final report and submitting it to the APO Secretariat by the deadline.
- e. Supporting the APO Secretariat during the process of confirming the research findings with APO member economies.
- f. Providing support for dissemination of the research findings after report completion.

3. Qualifications of Research Institution

The APO Secretariat will select an appropriate research institution with the following qualifications:

- a. Extensive, specialized knowledge of productivity concepts, socioeconomic development, issues relating to informal sectors of countries at various stages of development, inclusive economic growth, productivity measurement of economies and sectoral approaches, and multicountry studies on current socioeconomic trends in the Asia-Pacific, with a track record of publications in English.
- b. Excellent report preparation skills.
- c. Strong commitment to undertaking and completing the research project within the given time frame.

Notes:

The detailed scope of work is provided in the Request for Proposal (RFP), which can be found at the following link. <https://www.apo-tokyo.org/procurement-notice/>.

The selection of the participating research institution will be made by the APO Secretariat based on its selection criteria. The APO Secretariat will in no case be responsible or liable for any costs involved in proposal submission, regardless of the conduct or outcome of the selection process.

4. Financial Arrangements

To be met by the APO

Honorarium for the research institution to be paid upon completion and acceptance by the APO of the final report.

To be met by research institution

All implementation costs incurred by the research institution when conducting the study.

5. Actions by the APO Secretariat

Coordinate all arrangements related to project activities with the research institution and national experts.