



## **TERMS OF REFERENCE**

### **Consultancy for the Development of Economic Indicators in the Global Services Sector (GDSS) to Support the Capacity Building of STATIN**

*Jamaica (JA-L1079)*

#### **BACKGROUND AND JUSTIFICATION**

##### **The Programme:**

The Government of Jamaica has requested of the Inter-Development Bank (IDB) a loan amount of \$US15 million, to implement the “Skills Development for Global Services” programme (JA-L1079). This programme will support the Government of Jamaica’s (GoJ) efforts to develop its Global Digital Services Sector (GDSS) by (i) providing the sector with better skilled workers; and (ii) increasing Jamaica’s institutional capacity to attract Foreign Direct Investment (FDI) and increase exports. The project is structured in the following components:

- **Component 1. Skills Development for the Global Services Sector and Strengthening of the Skills Development System:** This component seeks to align and improve the skills development system to provide the GDSS with workers, particularly in higher value-added segments. Firstly, it will finance activities to improve the system’s ability to guarantee relevance of training to increase the share of activities that are higher up the value chain from 60% BPO to 40% KPO, by 2020. Secondly, it will finance activities to improve the quality of training.
- **Component 2. Global Services Sector Ecosystem:** The objective of this component is to strengthen Jamaica’s capacity to attract investment and increase exports in higher value-added and digital segments. First, the component will optimize investment promotion processes as well as the institutional, regulatory and incentive framework that governs the GDSS. Secondly, it will support the development of a strengthened value proposition for GDSS firms (foreign and domestic) seeking to invest or reinvest in Jamaica. Thirdly, it will increase JAMPRO’s capacity to support MSMEs in the GDSS, including through the establishment of an incubator and accelerator programme. Lastly, it will create a digital management system -building on existing one-stop shop platforms- to consolidate trade and business information and strengthen decision-making based on data analytics.

The second component of the Global Services Sector Project (GSS Project) will finance: (i) Global Digital Services (GDS) Strategy - a gap analysis and an action plan for adapting to future demand for digital services in the GDSS. (ii) GDSS Branding and Promotional campaign (iii) GDSS promotional activities and materials. (iv) Attendance at and hosting of international and regional investment targeting events. (v) National awareness campaign to increase the attractiveness of the sector to local investors, job-seekers and the public. The Jamaica Promotions Corporation (JAMPRO) is both the Executing Agency of the loan (JA-L1079) as well as the beneficiary agency responsible for the implementation of activities under Component 2.

### **Project Context:**

According to a report by the Caribbean Association of Investment Promotions Agency, leading up to 2019, Jamaica's Global Services Sector (GDSS) was growing at an average of 20% per year and was expected to continue growing 15-18% annually.<sup>1</sup> The industry, now valued at approximately US 780 million<sup>2</sup> has operators offering accounting, banking, customer service, collections, telecommunications, insurance, health care, finance, shared services, gaming and tech support.

This growth is within the context of the fact that in 2012, there were estimated revenues of over US\$230 million which rose to over US\$430 million in 2015 and in 2022 to \$780 million. The World Trade Organization highlighted the contribution of the sector to the Jamaican economy in a 2017 report stating that the GDSS "...is a high-performing segment of Jamaica's services industries, having grown at an annual rate of 16% since 2012 and enjoying the highest employment growth rate over the last decade, with an estimated 25,000 employees as at 31 March 2017."<sup>3</sup> Even during the COVID-19 pandemic, the GDSS converted to the new work-from-home environment where, as the pandemic brought disruption and failures to businesses around the world, the GDSS flourished. During the lockdowns, the Jamaican Government, through the lobbying efforts of the Global Services Association of Jamaica (GSAJ), named the sector as an essential service. This resulted in the stability of employment during the pandemic and a surge in remote hiring as many businesses looked for ways to curtail costs during the pandemic and opted for outsourcing as a solution.

With a history spanning almost four decades years, the Jamaican Global Digital Services Sector employs thousands of workers. Through the years, there have been record-breaking levels of employment in the sector were as of March 2022, comprised of over ninety operators employing almost fifty thousand Jamaicans. Today, the GDSS is one of Jamaica's most dynamic sectors and in the future, the GDSS is expected to be more than a billion-dollar industry in the next decade.

The Jamaican government has recognized this and made the BPO sector a priority in Jamaica's strategic development plan dubbed, Vision 2030, Jamaica's national development plan covering the 21-year period from 2009–2030. This long-term development plan presents a strategic roadmap for Jamaica to achieve developed country status by 2030, and therefore includes the economic contributions of the BPO sector. To this end, in March 2015, Cabinet approved a Five-Year Development Strategy for Outsourcing the sector which was successfully implemented and achieved its target of 36,000 persons being employed one year ahead of schedule. Following on the success of this approach, the Cabinet once more approved a development strategy for Global Digital Services in March 2022, which projects over 70,000 employed persons in the sector by the end of 2025.

---

<sup>1</sup> <https://www.carib-export.com/news/the-time-to-invest-in-bpo-in-the-caribbean-is-now/>

<sup>2</sup> <https://our.today/jamaicas-bpo-sector-continues-to-grow-despite-covid-pandemic-senator-hill/>

<sup>3</sup> [https://docs.wto.org/dol2fe/Pages/FE\\_Search/FE\\_S\\_S009-HTML.aspx?Id=240072&BoxNumber=3&DocumentPartNumber=1&Language=E&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True&Window=L&PreviewContext=DP&FullTextHash=371857150](https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-HTML.aspx?Id=240072&BoxNumber=3&DocumentPartNumber=1&Language=E&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True&Window=L&PreviewContext=DP&FullTextHash=371857150)

The provision of remote business services to customers utilizing ICTs, has increased the scope of outsourcing from shifting single aspects of some services and parts of the production process to divesting entire business functions. Jamaica in recent years has taken advantage of this phenomena and has experienced a significant growth in sector both in the numbers employed as well as its contribution to Gross Domestic Product (GDP).

Information on the economic impact of this sector is however limited and mainly from anecdotal sources. An industry is a grouping of establishments engaged in similar kinds of activities; however, the Global Digital Services Sector, which is comprised of three sub sectors: Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO) and Information Technology Outsourcing (ITO); includes activities that span different industries. Therefore, the sector's contribution is not shown in the standard reporting format in STATIN's publications as the classification of industries used in the National Accounts is the 2016 Jamaica Industrial Classification (JIC), which is modeled off the International Standard Industrial Classification of All Economic Activities (ISIC).

With this in mind, JAMPRO has approached STATIN to improve its dissemination of national accounts to provide this information by creating supplementary tables that recognizes the expanse of these business activities and pulls national data on trends and impact of the sector.

## **OBJECTIVE OF THE CONSULTANCY**

The main objective of the consultancy is to strengthen the capacity of STATIN by developing a comprehensive statistical programme which will provide economic data on special services sectors such as the Global Services Sector on a regular basis. Specifically, the consultancy should allow for the following to be a part of national accounts going forward:

- Establishment of the universe of companies undertaking GDSS activities.
- Classify these establishments by industrial activity and employment size.
- Calculate GDP estimates and its components (such as output, intermediate consumption, value-added revenue) as well as other related measures such as training, compensation, taxes on production consumption of fixed capital and operating surplus.
- Aggregate estimates of BPO, KPO and ITO as distinct segments from across the respective industries.

## **SCOPE OF SERVICES**

### **Task One: Develop Inception Report and Work Plan**

- Meet with the key Government and private sector stakeholders to ascertain their vision for the GDSS supplementary tables
- Develop an Inception Report that outlines the objectives (based on the consultations), methodology and proposed work schedule for this assignment. This report should also include risks, constraints and challenges that may be faced during the assignment and recommendations to resolve each.

*Deliverable: Inception Report and Work Plan*

### **Task Two: Design and Develop a Statistical Framework for the GDSS Supplementary Tables**

- Design a comprehensive statistical framework that can be used repeatedly by STATIN to generate annual economic data for the GDSS to include:
  - Review current national accounting systems and programmes to ascertain where information could be pulled from for the GDSS supplementary tables. This is to be included in the framework.
  - Assess the STATIN structure to support the development of the supplementary tables and include specific recommendations on how the framework is to be implemented in STATIN using the human and financial resources available.
  - The scope of data being collected and a design of the instruments to be used in assignments to gather data (whether in field or online) if necessary
- Ascertain any informational gaps that exist and make recommendations to STATIN for how information to fill these gaps can be collected and assessed on an ongoing basis

*Deliverable: i) GDSS Supplementary Tables Framework; and ii) Information Gap Analysis and Recommendations*

### **Task Three: Conduct workshop to train STATIN team on analysing and presenting the data**

- Identify the key personnel to be trained on the framework and develop a training programme for these individuals (the draft programme should be submitted to STATIN for approval ahead of its delivery)
- Develop material to deliver the training and coordinate all logistics related to the training session(s)
- Deliver the training programme as agreed with the STATIN team overseeing the consultancy. The programme should include an assessment of the materials delivered.
- Evaluate the overall training and develop a workshop report

*Deliverable: i) Draft Training Programme; and ii) Workshop Report*

### **Task Four: Develop a manual to guide the approach to gathering, analysing and publishing data via the GDSS Supplementary Tables.**

- Using inputs and suggestion received from the training, develop a detailed manual to guide STATIN in developing the relevant GDSS **Supplementary Tables**.
- Develop a train-the-trainer Manual that can be used by the team to train any other resources required to support the ongoing delivery of the GDSS **Supplementary Tables**
- Obtain comments from key STATIN personnel and incorporate same for the finalisation of the manuals.

*Deliverable: Final Operating and Training Manuals,*

### **Task Five: Guide the preparation of GDSS Supplementary tables**

In conjunction with the relevant STATIN Division(s):

- develop a plan to identify possible data sources
- guide the calculation of GDP estimates and its components. These must be in line with the 2008 System of National Accounts
- draft a publication outlining the estimates of output and value added for the GDSS sector

*Deliverable: Draft Publication with estimates of output and value added for GDSS sector*

### Task Six: Monthly Progress Reporting and Final Report

- Submission of Quarterly progress reports Quarterly Progress Reports on the progress of the approved work plan, identifying potential constraints and risks and resolution strategies
- Final Report summarising achievements, problems encountered, lessons learned and recommendations

*Deliverable: Monthly Progress Reports and a Final Report*

## EXPECTED OUTCOMES, DELIVERABLES AND PAYMENTS

### Outcomes

The consultant is expected to provide technical support to STATIN for the delivery of annual GDSS **Supplementary** Tables as well as support the publication of the first GDSS Supplementary Tables.

### Deliverables and Payments

The following deliverables are required in accordance with the tasks and outcomes outlined. Deadlines for each deliverable should be included within the proposal and will be reviewed and finalized by the Contract Supervisor at the beginning of the assignment.

KEY DELIVERABLES	ACCEPTANCE CRITERIA	Deadline for submission	Review Period	Scheduled Payment (%)
Inception Report and work plan	Methodology and approach outlined; work plan detailed; constraints, challenged and risk identified, and mitigation activities recommended	End of Month 1	1 week	10%
i. GDSS Supplementary Tables Framework; ii. Information Gap Analysis and Recommendations	Framework outlining how the supplemental tables would be framed, what would be included; scope of data collected; frequency of collection and how it would be supported in STATIN (including gaps);	End of Month 3	2 weeks	20%
i. Draft Training Programme ii. Workshop Report	Training Plan should include the topics to be covered and material to be used during the training; outline of evaluation methodology and instrument; schedule of activities; expected outcomes (incl. KPIs or success); budget Workshop Report should report actual against planned Training including KPIs and a report on the evaluation by the participants.	End of Month 6	2 weeks	15%
Operating and Training Manuals	Concepts & methodologies must conform to national accounts	End of Month 8	3 weeks	15%

KEY DELIVERABLES	ACCEPTANCE CRITERIA	Deadline for submission	Review Period	Scheduled Payment (%)
	concepts and guided by the STATIN team			
Publication of the estimates of output and value added for GDSS sector	Must be in line with the 2008 system of national accounts	End of Month 10	3 weeks	30%
Monthly Progress Reports and a Final Report	Each progress report must report against planned timeline of deliverables and highlight tasks completed against plan for each period; lessons learnt; challenges faced and escalated; risks identified and plans for the next period Final report must have an appendix of all submission and provide an overview of the consultancy to include all lessons learnt, risks realised and how they were addressed and recommendations for STATIN	End of Months 2-10 with Final Report at the end of Month 11	1 weeks for Progress Reports and 2 weeks for Final Report	10% (made after Final Report)

## KEY PERFORMANCE INDICATORS

Key Performance Indicators (KPIs)

- Accepted Framework
- Information Gap Analysis and Recommendations
- 80% Satisfaction Score on Training Delivery
- Two Training Manuals (Operational and Training)

## QUALIFICATIONS AND EXPERIENCE

Qualifications:

- At least a Master's degree in Economics Data Science, Mathematics, Statistics, or other relevant areas
- Specialized training in National Accounts with in depth knowledge of the 2008 SNA.
- Expertise in technical and statistical analysis
- Preferably a minimum of eight years' experience working in the field of National Accounts

Other Skills:

- Clear understanding of statistical terms and concepts
- Strong analytical skills
- Strong written and oral communication skills, including the ability to communicate results and findings to non-statisticians

- Practical and strategic approach to work
- High level of accuracy and attention to detail
- Capability to plan and work to meet deadlines
- Capacity to work alone and within teams

## **SUPERVISION AND REPORTING**

The coordination and supervision of this consultancy will be undertaken by the STATIN through the Director of National Accounts. A Contract Supervisor will oversee the execution and approval of all deliverables with the Deputy Director General giving final sign-off on all deliverables.

## **DURATION AND LOCATION**

- The duration of this consultancy is 12 months.
- The Scope of Work is to be conducted remotely and so allows for remote contact with the Contract Supervisor, via electronic communication. Virtual meetings will be required to discuss the requirements, implementation process and other pertinent details for the execution of the Scope of Work.
- Virtual meetings are also to be conducted to review the execution of activities, the frequency of which is to be confirmed at contract inception.
- No equipment or material will be purchased or provided by the JAMPRO to conduct the Scope of Work. Any travel, equipment or materials needed to accomplish this TOR will be covered by the consultant. Any expense, unless explicitly articulated and approved by the JAMPRO, will be at the expense of the consultant.