



## **JAMAICA: FOUNDATIONS FOR COMPETITIVENESS AND GROWTH PROJECT**

Loan No.: 9203-JM – Component 1

**Assignment Title: Consultancy To Develop A National Services Policy For Jamaica**

**Reference No.** (as per Procurement Plan): FCG/AF/CON/10-0 (formerly identified as FCG/AF/CON/30)

### **TERMS OF REFERENCE**

#### **1.0 BACKGROUND**

##### ***Country Background***

Jamaica is defined as an upper middle-income country by the World Bank, with Gross Domestic Product (GDP) at US\$4,665 per capita (current prices) in 2020. During the last five decades, the Jamaican economy has evolved into what is now largely a service led economy, having emerged from being solely an agricultural society and sought with some success to navigate the era of industrialization. Presently, the country's main economic sectors are the services (tourism, financial services, restaurants, distributive trades, real estate, etc.) and goods producing (agriculture, mining, manufacturing and construction) sectors.

The services sector, which is dominated by the tourism industry, is the key driver of economic growth and contributed the largest portion of GDP in 2020, of approximately 78 percent, in comparison to the goods producing sector, which accounted for 26.8 percent (Economic and Social Survey of Jamaica, 2020). The services industries have emerged as the largest employer of labour, accounting for over 69 percent of the labour force in 2020. The impact of the COVID-19 pandemic was greater on the services industries, which declined by 10.9 per cent, when compared to the goods producing industries, which fell by 4.5 per cent in 2020.

##### ***Current situation in the sector***

The services sectors represent a critical component of most countries in terms of their impact on national development. Forward linkages with downstream industries are estimated to be stronger with the services sector than with manufacturing. Since many industries use financial, business and distribution services as inputs to their production processes, access to an efficient services sector is essential for economy-wide productivity growth. Trade in services is likely to be a catalyst in the current move of developing countries like Jamaica to diversify away from traditional sectors. In an international trading arena where preferential trading agreements for agricultural goods have been eroded, increased offerings by the services sector aids in reducing the reliance of the country on exports in which they no longer have a comparative advantage and cannot benefit from economies of scale.

Rapid advances in information and communication technologies (ICT) have increased the tradability of many service activities across national borders and have created new kinds of tradable services, both tangible and intangible. In particular, ‘knowledge work’ such as data entry, customer and information processing services can easily be carried out using ICT tools and resources, as is now seen with the rise of the Global Services sub-sector in Jamaica. The country, through its special economic zones, is being positioned as a value addition and value creation centre for shared services, virtual assistance, global capabilities centre, legal process outsourcing, data annotation centre for big data, artificial intelligence, autonomous vehicles, etc.

Given the national aim for Jamaica to be a developed country by 2030, the country’s stakeholders will need to reposition themselves substantially by taking advantage of the relatively large labour force that is available and move into knowledge-based and service industries. In contrast to some small states, Jamaica has a number of clear advantages, including its proximity to the majority of the western world, access to the eastern world via the Panama Canal and the availability of a population that can be harnessed to facilitate growth in services and, in particular, in knowledge-intensive services that can be offered anywhere in the world. It has been demonstrated that public sector involvement in the development of the services sector has been successful in creating a business-friendly climate in other countries such as Singapore and the United Arab Emirates. One clear factor in the process of achieving success in provision of services is the need for strong and consistent leadership in the development and implementation of a vision for the sector.

In spite of its potential to further transform the Jamaican economy, there is an absence of a clear vision for the services sector in Jamaica and its very many sub-sectors and industries, as it is not governed by an integrated or uniformed policy framework that guides its development. Notably, with the exception of the financial services and the tourism industries, and more recently, global services, the services sector is generally unplanned due to its diversity in both ministerial portfolios and stakeholder groupings. Stakeholders also have identified several regulatory, as well as trade related issues, which must be addressed in order to improve the services sector. These include but are not limited to:

- Absence of timely data for services;
- Barriers to foreign markets;
- Outdated domestic regulations;
- Limited adoption of international standards;
- Limited or no incentives for some services sectors;
- Insufficient access to finance;
- Unavailability of highly skilled workers;
- Insufficient adoption of technology; and
- Lack of mutual recognition for domestic qualifications in foreign markets.

Additionally, the intangible nature of the sector, coupled with the difficulty in quantifying and measuring its impact results in many of the sub-sectors operating in the informal economy. These sub-sectors are therefore self-regulated operating by their own rules with no accountability to a regulated authority.

The aforementioned issues, together with the Government's thrust to diversify the economy and support the development of non-traditional sectors highlights the need for a National Services Policy and Implementation Plan. It is envisaged that the policy will create the cohesiveness that is currently lacking within the sector, and provide the necessary guidelines and structure, which will help foster robust growth and development of the national economy. The policy will therefore create a structured framework for the sector and assist in providing important and relevant data that will allow the Government to address the gaps that now exist, while creating opportunities for investment, trade and strategic growth.

A National Services Policy and Implementation Plan for Jamaica will seek to cover the following service sub-sectors in detail:

- i. Financial Services
- ii. Information, Communication and Technology Services
- iii. Professional Services
- iv. Education Services
- v. Health and Wellness Services
- vi. Cultural, Entertainment and Sporting Services

The priority areas were identified at the regional level as those for which there is comparative advantage in Member States of the Caribbean Community (CARICOM)/ Caribbean Forum (CARIFORUM). The prioritization initiative was spearheaded by the CARICOM Secretariat through a Regional Project Steering Committee, which supported the preparation of a Regional Strategic Plan for Services. Since the state of affairs in the services sector is similar throughout the CARICOM/CARIFORUM Region, it was found that Member States are unable to exploit the potential benefits under the Economic Partnership Agreement (EPA), as they are unable to meet the legislative and standards requirements of the European Union (EU). Over time, all sub-sectors will be addressed at the regional level, but, in order to optimize the use of available human, financial and technological resources focus was placed on these sub-sectors. Jamaica has also decided to pursue the priority areas in line with the regional focus.

The Policy and Implementation Plan will, therefore, better enable Jamaican service providers to participate fully in the CARICOM Single Market and Economy (CSME) as Member States move to develop similar policies. The policy will also give Jamaica an opportunity to prepare for the demands of global services, with the prospect of benefitting from the preferential arrangements available under the EPA.

A National Policy Steering Committee, comprising representatives from government, non-government organizations, academia and the private sector was established to provide oversight and direct the policy development process. The Committee guided the development of a Concept Paper for the preparation of the Services Policy and Implementation Plan. The Concept Paper, via a Cabinet Submission was submitted to the Cabinet, which gave its approval for the development of the Policy and Implementation Plan in February, 2019.

## ***Project description***

The overall objective of the Foundations for Competitiveness and Growth Project (FCGP) is to strengthen the business environment in Jamaica for private sector investment by promoting broad-based private sector-led growth, improving the investment climate, modernizing infrastructure and logistics, as well as enhancing entrepreneurship and competitive industries.

Component 1 of the project, which is coordinated by JAMPRO, seeks to enhance competition in the business environment. The initiatives under the project are expected to strengthen the enabling environment for private sector competitiveness to help Jamaica unleash its potential for productivity and growth.

The Government successfully engaged the World Bank to extend and expand its 6-year US\$50 million loan facility called Foundation for Competitiveness and Growth Project (FCGP) to allow it to deepen the reform initiatives that had been supported under the Project. Approval was granted for the Additional Financing of US\$10 million from the World Bank and the Government committed to provide a further US\$5 million, thus providing a total of US\$15 million to support the various government entities implementation of investment climate reforms.

FCGP is expected to be concluded on March 31, 2024 based on the Additional Financing that has been approved by the World Bank and Government of Jamaica (GOJ) to implement critical investment climate reforms. The expected outcome of the expansion is the marked improvement in the business climate. The initiatives under the project are expected to strengthen the enabling environment for private sector competitiveness to help Jamaica unleash its potential for productivity and growth, including to improve the trade environment.

## **2.0 OBJECTIVE(S) OF THE ASSIGNMENT**

The FCG Project Development Objective of which this contract will form a part is, *“To strengthen the business environment in Jamaica for private investment”*.

The objective of this consultancy is to assist the Ministry of Industry, Investment and Commerce with creating a comprehensive framework to guide long term development of the services sector in Jamaica.

The purposes of this contract is to prepare a draft Green Paper National Services Sector and Implementation Plan in consultation with stakeholders in Jamaica.

The results to be achieved by the Consultant:

- Situational Analysis of services sector in Jamaica; and
- Draft Green Paper National Services Sector Policy and Implementation Plan

- Documentation of Non-Conforming Measures in relation to Services and Investment in the identified sectors

### **3.0 SCOPE OF SERVICES, TASKS (COMPONENTS) AND KEY DELIVERIES**

The specific services of the Consultant shall include, but are not limited to the following:

#### ***1. Inception Report***

Prepare a work plan, methodology and data collection instruments for undertaking the assignment. This should include timelines and the administrative support needed to support the consultant in undertaking the scope of works.

#### ***Deliverable: Inception Report***

#### ***2. Situation Analysis***

- a. Review current issues, practices, legislation and institutional frameworks in respect of the Services Sector, through literature review, interviews and meetings with key stakeholders.
- b. Conduct face-to-face meetings and key informant interviews with selected stakeholders who conduct business within the services industry to identify the issues and determine means to address legitimate concerns.
- c. Conduct key informant interviews or meetings with stakeholders groupings from the private sector (e.g. Public Accountancy Board (PAB), Joint Committee for Tertiary Education, (JCTE), HEART NSTA, Ministry of Education, Jamaica Coalition of Services Industries, Jamaica Bar Association, Jamaican Institute of Architects (JIA) Jamaica Bankers Association, Sporting Federations, Ministry of Culture, Entertainment and Sports, ICT Association HEART etc.) to ascertain the impact and importance of the services sector.
- d. Conduct literature review on relevant studies, reports, articles and data from organizations that are involved in the services industry.
- e. Review relevant legislation, regulations and policies within the services industry and identify and document related non-conforming measures which impact on participation in that sector.
- f. Review regional and international frameworks (e.g. Revised Treaty of Chaguaramas, UN Guidelines on the Services Industry, Trade in Services, WTO GATS and CARIFORUM-EU and CARIFORUM-UK EPAs, etc.).
- g. Identify and document best practices of the Services Industry and in Trade in Services Globally.
- h. Review and assess the relevance, impact and adequacy of existing programmes, policies and legislation on the Services sector in Jamaica. Identify gaps and highlight areas for improvement.
- i. Identify the barriers and challenges to players in the sector accessing information, representation and redress.

- j. Determine the extent to which the state facilitates the growth and development of the sector and identify constraints.
- k. Review and assess how market structures impact the Services Sector, highlighting the more vulnerable sectors.
- l. Identify the barriers and challenges to players in the industry accessing finance and other essential services essential to the growth and development of the sector;
- m. Prepare a comprehensive summary/situation analysis of services sector in Jamaica.

***Deliverable: Situation Analysis of the Services Sector in Jamaica***

**3. *Draft Policy and Implementation Plan***

- a. Prepare draft policy in consultation with Policy Steering Committee and sub-committees, where applicable, taking into consideration findings of the situation analysis. This should include policy recommendations for programmes, policies, legislation, institutions, sectors and stakeholder groups on the services sector in line with global best practices. This should be aligned with the Vision 2030 Jamaica - National Development Plan, and in keeping with the policy development guidelines of the Cabinet Office.
- b. Prepare draft Implementation Plan in alignment to policies recommendations to include activities, responsible stakeholders, timelines and indicative costs.
- c. Considerations for youth, gender, the elderly and physically challenged should be included in the policy and implementation plan.

***Deliverable: Draft National Services Policy and Implementation Plan***

**4. *Stakeholder Consultation Workshop***

- a. Organize and facilitate a stakeholder consultation workshop to validate findings and draft policy and implementation plan.
- b. Prepare Workshop Report on proceedings and outcomes of the workshop.

***Deliverable: Stakeholder Consultation Workshop Report***

**5. *Final Draft Green Paper Policy and Implementation Plan***

- a. Integrate findings and recommendations from stakeholder workshop and other stakeholders in draft policy and implementation plan document.
- b. Prepare Draft Green Paper Policy and Implementation Plan.
- c. Prepare input for Cabinet Submission for the Draft Green Paper Policy and Implementation Plan.

***Deliverable: Final Draft Green Paper Policy and Implementation Plan***

**4.0 CONSULTANT QUALIFICATIONS**

The Consultant is required to possess, at minimum or equivalent:

- Master’s Degree in Social Sciences discipline [15]
- Experience in conducting analysis on services industry, demonstrated by four relevant assignments completed in the past seven years [20]
- Experience in preparing situation analysis, demonstrated by four relevant assignments completed over the past 7 years [15]
- Experience in preparing national policies in a Caribbean or other similar country, demonstrated by four completed over the past 10 years [20]
- Experience in preparing Implementation Plans or Action Plans in a Caribbean or other similar country, demonstrated by four completed over the past 7 years [15]
- Demonstration of five assignments that required the consultant to utilize participatory methodologies, stakeholder engagement and facilitation of workshops or meetings [15]

### Characteristics

- Type of Consultancy – Individual
- Duration – 11 months
- The intended start date is April 2022.

## 5.0 REPORTING REQUIREMENTS AND TIME SCHEDULE FOR DELIVERIES

The Consultant will report to the Ministry of Industry Investment and Commerce, the Supervising Entity. The Supervising Entity shall be responsible for the approval of contractual reports and payment requests. The designated representative of the Supervising Entity is the Senior Director, Policy, Planning, Projects and Research Division.

In fulfilling his/her responsibilities, the designated representative will consult with the relevant Project Steering Committee to review and recommend approval of deliverables under this consultancy.

The Consultant shall provide the following reports:

Name of Report	Minimum Content	Submission Date	Review Period	Payment %
Inception Report	Work plan, methodology for conducting the assignment, data collection methodology, draft data collection instruments for key informant interviews and list of documents and policies to be reviewed	2 weeks after commencement of the assignment	2 weeks	10%
Situation Analysis of the Services sector in Jamaica	List of Acronyms, Background, Introduction, Global Best Practices, Overview of services industry Practices, Regional and International Agreements/Conventions/Treaties, Policies/Plans/Strategies, Legislation and Regulations, Institutions and Programmes	12 weeks after commencement of the assignment	2 weeks	20%

Name of Report	Minimum Content	Submission Date	Review Period	Payment %
	impacting on the services sector, SWOT Analysis, Emerging Issues, Recommendations, Glossary. Documentation of Non-Conforming Measures in the identified Services and Investment areas.			
Draft National Services Policy and Implementation Plan	Executive Summary; List of Acronyms; Table of Contents; Introduction; Overview of the services sector in Jamaica, including results of key informant interviews, Regional and International Frameworks, Policy Framework, Legislative and Regulatory Framework, Institutional Framework; SWOT Analysis; Policy Issues; The Policy, including Goal, Objectives, Thematic Areas, Policies, Strategy, Actions; Implementation Framework, including Institutional Arrangements, Legislative and Regulatory Framework, Communication Programme; Financing of Policy and Implementation Plan; Monitoring and Evaluation Framework; Linkages to Other Policies; Implementation Plan, including strategies, activities, outputs, indicators of achievement, responsible agencies and stakeholders, timeframe; Glossary	26 weeks after commencement of the assignment	4 weeks	30%
National Consultation Workshop Report	Overview of Proceedings of Workshop based on agenda, summary of discussions and conclusions, Appendices- Agenda, Attendance List (name, organization, position, email, telephone). The Consultant will organize, facilitate and present at the workshop.	35 weeks after commencement of the assignment	1 week	10%
Updated Draft Green Paper National Services Policy and Implementation Plan	Draft National Services Policy and Implementation Plan updated to include recommendations from National Consultation workshop and other comments from stakeholder groups	38 weeks after commencement of the assignment	3 weeks	15%
Final Green Paper National Services Policy and Implementation Plan	Final Green Paper Policy and Implementation Plan updated to include all comments.	42 weeks after commencement of the assignment	2 weeks	15%



**The Consultant will be required to make a presentation of each deliverable to the Project Steering Committee.**

Reports must be submitted in soft/electronic copy using Microsoft Word and Adobe PDF. Where deliverables are subject to revision following review, the Consultant shall provide the updated version in tracked change and clean formats, along with a review matrix as may be appropriate. The Final Report shall be delivered by electronic copy as above, via email upon sign-off on the final deliverable.

## **6.0 CLIENTS INPUT AND COUNTERPART PERSONNEL**

All day to day operations and communication regarding the implementation of activities under the contract will be handled by the Supervising Entity – the Ministry of Industry, Investment and Commerce.

The Consultant will be home based and will only be accommodated at the Ministry of Industry, Investment and Commerce as needed.

Professional and support counterpart liaison personnel will be assigned by the Ministry of Industry, Investment and Commerce to assist the Consultant.

## **Appendix I- Indicative List of Stakeholders**

### **Financial Services**

Financial Services Commission

Jamaica Bankers Association

Jamaica Co-operative Credit Union League

### **Information Communication Services**

Ministry of Science, Energy and Technology

Jamaica Promotions Corporation (JAMPRO)

ICT Association

Telecom Providers (Flow, Digicel)

Business Processing Outsourcing Firms

### **Professional Services**

Jamaica Institute of Architects (JIA)

Jamaica Bar Association (JBA)

Public Accountancy Board (PAB)

### **Educational Services**

Ministry of Education

HEART NSTA

Joint Committee for Tertiary Education (JCTE)

Jamaica Teachers Association

### **Health and Wellness Services**

Ministry of Health and Wellness

Jamaica Medical Doctors Association

**Cultural, Entertainment and Sporting Services**

Ministry of Culture, Entertainment and Sports

Jamaica Cultural Development Commission

JAMPRO

Sports Development Foundation

Sporting Federations and Clubs

The Jamaica Federation of Musicians and Affiliates Union