



JAMAICA: FOUNDATIONS FOR COMPETITIVENESS AND GROWTH PROJECT

Loan No.:8408-JM – Component 4B

Assignment Title: Development of an Inclusive Growth Index Framework (IGIF)

Reference No. (as per Procurement Plan): FCG/CON/079-0

Terms of Reference (TOR)

1. BACKGROUND

Since its inception in 1934, Gross Domestic Product (GDP) has been a fundamental and widely used measure of economic growth because it provides a snapshot of an economy's production with a single number. Additionally, it is a universally recognized measure and allows for comparison across all countries.

While acknowledging the importance of GDP, there has been growing demand for measures of inclusive and sustainable growth that expand the traditional economic growth models to account for welfare factors and that could serve as a supplementary economic measure to GDP. The demand has been brought into sharper focus with the 2008 financial crisis and the adoption of the Sustainable Development Goals (SDGs) by the 193 member states of the United Nations, in 2015. The inclusive and sustainable growth concept encapsulates key focus areas relating to the economy, social factors and the environment such as: equality and equity, health, human capital, environmental quality, social protection, safety and security, poverty reduction and the role of the informal economy. Consolidating relevant indicators into key sub-indices and further, into a composite index, should lend itself to measurement, tracking and analysis with a view to providing a sound, quantifiable and a more expansive basis for the creation of policy responses and initiatives to address the diverse needs of Jamaica's population. It is within the context that this TOR proposes the development of an inclusive growth index, with a supporting framework, for Jamaica.

It is important to note that there are global indices, in which Jamaica participates that have the similar objective of expanding traditional economic growth models. However, none are tailored to Jamaica's specific situation. (*See List in Appendix 1*). One such, is the UNDP's Human Development Index (HDI), which was launched in 1990 and is a composite index of three (3) variables: life expectancy, education and per capita income. The HDI annual reports have provided good insights regarding people-centred policies for Jamaica and currently allows for comparisons across more than 189 countries. Although the HDI has and will continue to be useful, the proposed inclusive growth index (IGI) is intended to be wider in scope and tailored for Jamaica's needs, while allowing for a deeper understanding of the inter-relatedness of several key drivers of growth, which should be more effective in planning for growth.

While the IGI, by its very design, will not offer direct comparability with other countries, it will be groundbreaking and provide a framework whereby other countries can also model their respective circumstances in pursuit of inclusive growth. This approach brings balance to the current development landscape in recognizing that the internal specificities of a nation are equally (if not more critical) than external benchmarking with other territories. Both perspectives are necessary and should be employed in tandem for a favourable outcome.

The proposed IGI will be a vital tool for Jamaica for three principal reasons. Firstly, “that which gets measured, gets done” and measurement provides the basis for more informed and sustainable decision making. If GDP growth continues to receive the government’s primary attention, Jamaica runs the risk of pursuing it to the detriment of the natural environment and the impoverished, among other ails. By incorporating inclusive measures as part of the goal, initiatives undertaken should lead to generally more sustainable and favourable outcomes. Secondly, recent studies (including from the IMF) suggest that rising income inequality adversely affects growth and that long-term economic growth is best achieved within the context of equity and inclusivity. Thirdly, the proposed IGI could help to build a bridge of trust between the government and the economically, socially and politically excluded members of society who may not see their concerns clearly reflected in GDP (the primary measure of growth and development).

Institutional Context

The Growth Inducement Programme (GIP) is the secretariat established in 2013 by the Planning Institute of Jamaica (PIOJ) to support the implementation of the components of the Growth Inducement Strategy for Jamaica in the Short to Medium Term (Growth Strategy) 2012. The GIP’s mandate is to promote sustainable and inclusive economic growth for Jamaica through research, policy development and other technical support.

The proposal for the development of a Jamaican IGI was presented at the GIP Growth Forum in March 2019 and was well received. In view of the significant benefits of an IGI to the work of the GIP and the support garnered, the GIP is spearheading a coordinated effort to create Jamaica’s first IGI and the supporting operational framework. The magnitude of work and depth of expertise required to construct an IGI is significant.

The development of such a national index necessitates the participation of a wide cross-section of technocrats and stakeholders. A Core Technical Team (CTT) has been created as an advisory body to the executing agency, namely the GIP. It is comprised of technocrats with the requisite skillset from select institutions to guide and execute the development of the IGI (prototype and finalised versions). The CTT will also assist in overseeing the procurement and work of a consultant, who will be required to review the prototype and finalize the IGI, as well as develop the supporting operational framework (See CTT TOR in Appendix II attached). This symbiotic relationship between the CTT and the consultant should strengthen the engagement process and thereby the final output.

The deployed IGI and supporting operational framework hereafter referred to as the Inclusive Growth Index Framework (IGIF) will be housed in the GIP.

Project Description

The Government of Jamaica has secured a US \$50 million loan from the World Bank to finance a project entitled Foundations for Competitiveness and Growth Project (FCGP). The overall objective of the project is to strengthen the business environment in Jamaica for private sector investment. The Project Execution Agency is the PIOJ, which falls under the Ministry of Finance and Public Service (MoFPS), with key project components being implemented by a unit set up specifically for that purpose, in collaboration with the Development Bank of Jamaica and JAMPRO.

The GIP has requested assistance under Component 4B of the FCGP to develop an Inclusive Growth Index Framework (IGIF) that will be used as a tool to gauge and assess economic growth and development as well as influence the national decision-making process.

The key objectives of the IGIF may be summarized as follows:

1. To provide a better understanding, through the facilitation of a broader-based measurement, of the overall health of Jamaica's economy.
2. To establish, demonstrate and measure the interdependence and interconnectedness of the key constituents of the economy, to further use these established relationships to inform policy responses and ultimately facilitate better national outcomes. That is, to use econometric (and other relevant) tools to assess the relationships across outcome indicators within and across the respective pillars. In so doing, the principal hope is to have an empirical understanding of the strength/impact of variables and trade-offs in achieving the desired growth.

The IGIF Development process is sub-divided into two (2) major phases:

1. *Phase 1 (2019–2022, underway)*: This phase is largely completed and is awaiting further development by a Consultant with the requisite expertise. Under this Phase, the CTT assisted with overseeing and actively participated in the development of the IGI prototype via technical advice/guidance and work, coupled with managing and integrating relevant stakeholders at key stages in the process. The preparatory work undertaken has resulted in:
 - a. The timely development of an IGI prototype. The prototype consists of:
 - i. A functional index, complete with:
 1. Sub-indices (pillars) and indicators.
 2. A database of indicators.
 - ii. Supporting documentation outlining the prototype's development process and methodology relating to the:
 1. Selection of the IGI pillars and indicators.
 2. Dataset of all potential indicators.
 3. Data normalisation/standardisation methodology.
 4. Weight assignment methodology.
 5. Testing results for reasonableness, sensitivity to changes (e.g., validity of weights) inter alia.
 - b. A deeper understanding of the matters and work involved to strengthen the engagement process with the Consultant and thereby the final output.
2. *Phase 2 (2023–2024)*: This Phase will consist of the Consultant advancing the work of the IGI prototype and the development of the supporting operational framework. Phase 2 constitutes the focus of this TOR.

2. Objective(s) of the Assignment

The objective of this assignment is to develop Jamaica's first multi-dimensional Inclusive Growth Index (IGI) and supporting operational framework, collectively referred to as the Inclusive Growth Index Framework (IGIF).

3. Scope of Services, Tasks (Components) and Expected Deliverables

The Scope of Services and Expected Deliverables (which are subject to approval by the GIP) for the development of the IGIF are outlined below:

1. Inception:

- a. Initial review of source documents, including the:
 - i. IGI Prototype and supporting documentation.
 - ii. Relevant policies.
 - iii. Examples of similar indices.
- b. Convene inception meetings with all relevant stakeholders to get an in-depth understanding of Jamaica's growth/development process to clarify the desired IGIF content and impact as well as target data providers and users.
- c. Identification of the potential providers, users and beneficiaries of the IGI data in Jamaica.
- d. Finalize a template for progress reports.
- e. Prepare and submit an Inception Report.

Deliverable: Inception Report

2. Identify the IGIF requirements:

The Consultant will liaise with the CTT to undertake an assessment leading to the identification of the operational framework requirements to support the IGI. The key subtasks are as follows:

- a. Identification of the needs of each group of providers and users (of the data and/or analyses) in relation to:
 - i. The data type and format. That includes the estimation of the size and format of existing data that will be available for migration to the IGIF (for e.g., data tables, field and number of rows of data).
 - ii. Treatment re the population, storage and revision of data. That includes the development of a standardization format for data migration and data fields for new data from respective users.
 - iii. The type and number of automated analyses.
 - iv. The development of a list of roles and responsibilities for providers and users.
 - v. The expected procedural flow of interactions and activities among providers and users of the data and/or analyses.
- b. Explore the option to link the IGIF with other systems/databases internal and external to the PIOJ. Subject to the assessment outcomes on feasibility and requirements, establish Application Programming Interfaces (APIs) as appropriate.
- c. Evaluation of and, if necessary, amendment of the inventory of datasets prepared by the CTT.
- d. Develop functional requirements and technical specifications for the IGIF.
- e. Provide specifications for the procurement of new computer equipment and software and upgrade of existing computer equipment and software or other resources or materials required for the development, implementation and operation of the IGIF. It would be preferable that the framework can be established using Microsoft Office or equivalent database management software. The Consultant may also propose alternative cost-effective software solutions.

Deliverable: Functional Requirements and Technical Specification Documents

3. Develop the IGIF:

Having been privy to the CTT's IGI prototype and supporting documentation used in its development, the Consultant is expected to apply his/her expertise to evaluate the prototype, finalize the IGI and develop the supporting operational framework. Tasks include, though are not limited to, the following:

- a. Evaluate and, if necessary, refine the definition of inclusive and sustainable growth provided.
- b. Assess the CTT's selection of the IGI sub-indices/pillars and indicators and provide justified amendments, as necessary.
 - i. Determine whether the components and indicators are consistent with the definition of inclusive and sustainable growth.
- c. Evaluate the CTT's dataset of all potential indicators.
- d. Recommend and, if approved, execute the collection of any new data, which should have a minimum of thirty (30) annual data points.
- e. Convene meetings with the stakeholders at agreed intervals during the IGIF development process to ascertain input re key development aspects.
- f. Conduct statistical (and/or other relevant) analyses:
 - i. Gather all potential indicators.
 - ii. Test relationships for strength of impact on growth.
 - iii. Filter for, and order by, strength of the indicators' impact within the respective pillars and on overall growth. The goal is to ascertain the least number of indicators with sufficient information to explain/shed light on the performance of the respective pillars as well as the overall health of the economy.
 - iv. Classify the indicators as either 'outcome' (for inclusion in the IGI) or 'explanatory' (for inclusion in the accompanying IGI Analytical Report). Determine other classifications for the remaining indicators, which may include the elimination of insignificant and/or weak indicators (i.e., those of negligible impact).
 - v. Document the selection process for the final indicators to inform the future statistical analyses of existing and/or new indicators.
 - vi. Define and state the extent of interdependence of outcome indicators within and across the IGI pillars. This should include an empirical understanding of the strength/impact of key variables and the trade-offs relationships involved in achieving the desired growth. The goal is to facilitate a 360-degree assessment of the pillars.
- g. Assess the CTT's data normalisation/standardisation methodology and provide justified amendments, as necessary.
- h. Review the CTT's proposed weight assignments methodologies for the IGI indicators and sub-indices; employ findings of the review, other relevant information and input from key stakeholders; develop and apply the finalized weight assignment methodology.
- i. Develop and deliver the finalized IGIF via the following activities:
 - i. Collect, review, assess, format and upload all the data required to initially populate the IGIF.
 - ii. Create IGIs for a minimum of the past five (5) years, among other things, to:
 1. Test to ensure that the IGI effectively measures what it is intended to, based on the methodology and theoretical framework, and is appropriately responsive to changes in underlying drivers.

2. Provide a strong basis for analysis through an appreciation of what the historical data has been communicating about inclusive and sustainable growth.
- iii. Design an outline for the IGI Analytical Report based on the indicators selected and any other basis deemed relevant.
- iv. Develop user interface components, as needed.
- v. Develop a system to create, analyse and disseminate IGI results and reports to select audiences.
 1. The system should reflect both the relevant outcome and explanatory indicators.
 2. As far as possible, the process should be automated using Microsoft Office or equivalent software.
- vi. Oversee the successful deployment of the platform including.
- vii. Create a Quality Assurance Plan.
- viii. Conduct quality assurance and support user acceptance testing with selected users and address any issues arising therefrom.
- ix. Develop electronic and hardcopy design documentation for all aspects of the IGIF, including a Developer's Manual.

Deliverables:

- **IGIF**
- **Methodology Document, including:**
 - **Indicator Selection Process**
 - **Data Normalisation/Standardisation methodology**
 - **Weight Assignment Methodology**
 - **IGIF Revision Process**
- **Framework Design document including:**
 - **Data Dictionary**
 - **Developer's Manual**
- **Quality Assurance Plan and Report**

4. Preparation of Technical and User Manuals and Training:

- a. For the IGI and supporting framework, the Consultant should develop the following:
 - i. User/ Content Management Policies and Standards.
 - ii. Dataset Metadata Standards.
 - iii. A Technical Manual.
 - iv. A User Manual.

Deliverable:

- **Hard and soft copies of Technical and User Manuals**

5. Launch Presentation and User Training

- a. Undertake knowledge transfer during the IGIF design and implementation phases to stakeholders (identified during the Inception Phase) during the design and implementation phases of the IGIF for stakeholder awareness and buy-in.
- b. Assist with the planning and execution of a formal launch of the IGI by mid-2024.

- c. Planning and executing a stakeholder sensitization workshop to be held by mid-2024.
- d. Conduct training in the use of the IGIF for a maximum of thirty (30) users and other stakeholders by mid-2024. The number of persons to be trained will be finalized during the Inception Phase.
- e. Undertake training of key stakeholders expected to provide post-implementation support, such as the PIOJ's Information Systems Unit.

Deliverables:

- **IGIF Overview Presentation for launch**
- **Stakeholder sensitization workshop**
- **User training and knowledge transfer**
- **Audio-visual recording of the training**
- **Training Reports**

6. *Maintenance and Sustainability of the IGIF:*

- a. Develop maintenance and sustainability plans.
- b. Facilitate bug reporting and tracking, document system failures and corresponding solutions and address all identified issues during the defects liability period of three (3) months.

Deliverable: Maintenance and Sustainability Plan Document

7. *Reporting:*

- a. Prepare and submit Monthly Progress Reports in the template to be agreed at Project's Inception.
- b. Prepare and submit a Final Report detailing overview of activities, review of IGIF use, user perspectives, issues and lessons learned.

Deliverables:

- **Monthly Progress Reports**
- **Final Report on IGIF Development and Implementation**

4. Team Composition & Qualification Requirements for the Key Experts (and any other requirements which will be used for evaluating the Key Experts under Data Sheet 21.1 of the ITC)

Key Expert 1: Team Leader

The Team Leader will be the chief liaison with the Core Technical Team (CTT) and will be responsible for coordinating all activities under this assignment. S/he should satisfy the following requirements:

- Postgraduate Degree in Economics with strong grounding in Statistics, Econometrics or any other related discipline
- At least ten (10) years' experience undertaking similar projects
- Demonstrated experience in testing for statistical relationships, creating indices and developing a supporting operational framework
- Other skills relevant to this Project Management experience
- Excellent communication and facilitation skills

- Working knowledge of public and private sector issues in Jamaica would be an asset

Key Expert 2: IT Specialist

The IT Specialist will be responsible for designing and developing the IGI's supporting technological and operational framework. S/he should satisfy the following requirements:

- Postgraduate Degree in Computer Science, Software Development or any other related discipline
- At least five (5) years' experience undertaking similar projects
- Demonstrated experience in:
 - The design/development of automated: data extraction, data analysis and report-writing platforms
 - Writing manuals and other technical document
- Other skills relevant to this project
- Project Management experience
- Excellent communication and facilitation skills
- Working knowledge of Jamaica would be an asset

Non-Key Expert: Technical Assistant

The Technical Assistant will be responsible for providing support to the (above) key experts. S/he should satisfy the following requirements:

- Undergraduate Degree in Economics, Research, Statistics or any other related discipline
- At least three (3) years' experience undertaking similar projects
- Demonstrated experience conducting research, statistical analyses and report writing
- Skillsets should include: agile thinking, comfort with numbers, organization and communication.
- Working knowledge of computer software development would be an asset

The Consultant may select and hire other experts and non-experts, as required. Those selected must be independent and free from conflicts of interest in the responsibilities they take on.

For those selected and approved, the Consultant will provide support facilities to their team of experts (back-stopping) during the implementation of the contract. The Consultant must ensure that they are adequately supported and equipped. In particular, s/he must ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities.

5. Reporting Requirements and Time Schedule for Deliverables

The PIOJ is the Contracting Authority and shall approve any contractual amendments and payments.

The Consultant will report directly to the GIP team member designated by the Programme Director, namely the Economic Specialist – Research & Policy or her approved assigned alternate in case of unavailability. The GIP will be the Supervising Entity for the IGIF development. In fulfilling his/her responsibilities, the designated representative will also consult with the CTT to review and recommend approval of deliverables under this consultancy. However, the Supervising Entity shall be responsible for the approval of contractual deliverables and payment requests.

The intended start date is January 2023 and the period of implementation of the contract will be twelve (12) months from this date, plus a defects period, ending March 31, 2024.

	Approved Deliverable	Minimum Content	Time of Submission	Review Period	Payment %
1	Inception Report	Situational Analysis from document review and meetings, as well as template for progress reports.	Within two (2) weeks of contract signing	Two (2) weeks	5%
2	Monthly Progress Reports	Status of development, risks to implementation and mitigation strategies, issues and challenges and recommendations	Within two (2) days after the end of each month	Two (2) weeks	n/a
3	Functional Framework Requirements and Technical Specification Documents	List of provider/user requirements, data requirements, provider/user roles and responsibilities	Within one (1) month after completion of the Inception Report	Two (2) weeks	10%
4	Framework Design Document	IGI Database design, user interface components, specifications for procurement of required hardware and software, resource requirements and Data Dictionary	Within one (1) month after completion Framework Requirements and Technical Specification Documents	Two (2) weeks	10%
5	Completed IGIF	IGIF developed and operational. Methodology Document Quality Assurance Report.	Within three (3) months after approval of Framework Design	Three (3) weeks	25%
6	Launch Presentation and User Training	Presentation for Growth Forum; Training workshop for stakeholders; audio-visual recordings of these events; training reports - including register of participants, issues raised and recommendations.	Within two (2) weeks after approving the IGIF	Two (2) weeks	10%
7	Final Technical and User Manuals	Documentation to include user, and training manuals	Five (5) days after completion of training	Three (3) days	10%
8	Maintenance and Sustainability Plan Document	Procedures for maintenance of the IGIF	Within five (5) days after completion of training	Two (2) weeks	10%
9	Final Report on IGIF Development and Implementation	Final overview of activities, review of IGIF use, user perspectives, issues and challenges and how they were addressed. Stakeholder sensitization workshop.	Within three (3) weeks after completion of user training	Two (2) weeks	20%

	Approved Deliverable	Minimum Content	Time of Submission	Review Period	Payment %
10	Defects Rectification	All defects or user-friendly adjustments identified and agreed upon during the defects liability period are to be fixed to the client's satisfaction.	During the three (3) months following deployment ¹ of the IGIF.	Running during the entire defect period.	0%

Reports may be submitted in soft/electronic copy using Microsoft Word and Adobe PDF. The Final Report shall be delivered by electronic copy as above via email upon sign-off on the final deliverable.

6. Client's Input and Counterpart Personnel

All day-to-day operations and communication regarding the implementation of activities under the contract will be handled by the GIP as the Supervising Entity.

The Consultant will be required to work remotely and will only be accommodated at the PIOJ as needed, for selected meetings and/or other necessary consultations.

Professional and support counterpart liaison personnel to be assigned by the GIP to the Consultant's team include: local administrative support to assist with scheduling meetings and other logistics locally.

¹ Deployment would have occurred when all the deliverables have been received and approved by the GIP, including an operational IGIF.