



Tonga Statistics Department (TSD)

Pac Stat/SICBT project

Terms of Reference (TOR)

Price Indices Consultant

Assignment:	Price Indices Consultant
Employer:	Tonga Statistics Department, Tonga
Location:	Nuku'alofa, Tonga
Duration:	6 months
Reference:	TO-TSD-364729-CS-INDV
Tentative Start Date:	October , 2023

Introduction

The purpose of this document is to provide the Terms of Reference (TOR) for a Consultancy assignment aimed at assisting the Tonga Statistics Department (TSD) in conducting price surveys and a rebasing of the consumer price index (CPI). The primary objective of this support is to enhance economic statistics within the department, ultimately facilitating informed policy-making and decision-making processes in Tonga. The Consultancy is expected to last for a duration of 6 months, commencing in September 2023.

Background

Tonga is a Small Island Developing State that is not only small but contains small mostly isolated islands within the small state. Like other vulnerable nations of its kind, Tonga faces many development challenges. Small size and remoteness increase the costs and complexities of economic activity, public service delivery, and data collection. The geographical characteristics of the country also lead to a high vulnerability to natural disasters. These factors have led to an undiversified economy that is vulnerable to external shocks and dependent on financial transfers.

The Tonga Statistics Department (TSD) is Tonga's main government agency in terms of the collection, processing, and publication of economic and social statistics. With the increasing demand for data, TSD is trying to address data gaps and gather new data sources and develop new statistics to assist with planning and policymaking for the country.

The Statistical Innovation and Capacity Building project provides support to improve the comparability, accessibility, sustainability, and overall quality of statistics in Tonga. the project includes a special focus on strengthening public financial management.

Amongst the components of this IDA Project is **data collection for economic statistics**. This component supports the collection of four new price indices but for the scope of this role, will focus on Price Indices such as Food Price Index (FPI), Building Material Price Index (BMPI), and Producer Price Index (PPI). Data collection for these three areas is partial has not been collected previously and for the FPI and PPI, additional data collection will be done concurrently with existing CPI-related monitoring so these statistics will be available monthly. The BMPI will require additional data collection mechanisms and therefore be produced annually.

Objectives of the Assignment

Tonga Statistics Department (TSD) will recruit a skilled and capable consultant to support the “data collection for economics statistics” projects. The consultant is required to:

1. Use the HIES 2020/21 dataset and other relevant data sources to rebase the national CPI and ensure the existing methods are robust.
2. Define requirements, methods, and data sources and develop a database of price indices.
3. Provide technical and administrative guidance to the officers of the Economics Division on price indices and rebasing the national CPI.

Desired Outputs

The desired final output of this consultancy is as follows:

Phase 1:

- **Report 1:** Work plan and inception report delivered within three weeks of the contract being signed.
- **Report 2:** A report on feasibility study of TSD pricing system to identify the sufficiency of existing data collected. Identify what additional data is required for the compilation of the new Price Indices and provide recommendations on methods of data collection. Furthermore, articulate the definition of all indices which includes clear compilation method included.
- A set of weights for a rebased CPI system using HIES 2020/21 dataset, and a resulting CPI series with comparable estimates for the preceding 5 years.
- A full replication file in Stata or R consistent with the report results.

Phase 2:

- **Report 3:** A report clearly documenting the methods and procedures undertaken in the CPI rebasing process.
- A pricing system to compile price indices for a food price index, a building material price index, and a producer price index.
- Technical training and assistance to TSD Economics Statistics staff to ensure proper understanding and implementation of indices and rebased CPI series; built their capacity and transfer knowledge.
- Documentation of sources and methods used for the compilation of these indices that can aid with training.
- **Report 4:** A report outlining the findings on the compilation of the new indices.

Institutional and Reporting Arrangements

The consultant will be hired by The TSD and will be posted in the TSD, where office space and facilities will be provided. The consultant will be serving in the country (Tonga) as well as remotely. The in-country duration will be for a mission at the beginning, mid-term and end of the contract, dedicated to data collection, consultation and training, while the remaining work will be done remotely. The consultant will report to the Government Statistician (GS) or whomever the GS has delegated to be the responsible officer for the consultant and is expected to maintain regular communication throughout the consultancy period.

Selection Criteria - Desired Skills, Qualifications, and Experience

The following expertise and level of experience are required of the Price Indices Consultant:

- At least a master’s degree in economics, statistics, or another related field
- At least six years of professional experience for a master’s degree holder or Two years’ professional experience for a Ph.D. holder in similar assignments
- Experience in the production of economic statistics, price indices, and rebasing.
- Experience with microdata analysis using statistical software such as STATA or R.
- Excellent verbal and written communication skills in English.
- Strong management skills in a diverse (cultural and technical) work environment.
- Experience working in Tonga or other Pacific Island Countries would be an advantage.
- Evidence of strong interpersonal skills around collaboration and communication, particularly in a remote work context.
- Experience working with development partners such as WB, ADB, and DFAT would be an advantage.

Scoring

CVs of eligible candidates that meet the minimum requirements will be scored according to the following criteria:

Criteria	Maximum score
1) General qualifications (general education, training, and experience):	20
2) Adequacy for the Assignment (relevant education, training, experience in the sector/similar assignments)	60
3) Management skills in a diverse (cultural and technical) work environment and Experience working with development partners such as WB, ADB, and DFAT	20

Selection Method

The Price Indices Consultant will be selected through the “Individual Consultant Selection method” in accordance with the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers, version of November 2020.

