

D5 - Te Tarai Vaka Cook Islands

Terms of Reference: Improvement of Cook Islands External Sector Statistics

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*Prepared by: Cook Islands National
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Economic Management*

About this document

This document outlines the Terms of Reference for the improvement of Cook Islands external sector statistics (ESS).

Goals and Outcomes

The goal of the project is to prepare at least four years of robust annual ESS for the support of Gross National Income estimates before December 2018.

Outcomes for this project include:

- Data source development and implementation of methodologies recommended by the Robertson ESS Mission (Sept, 2017)
- ESS developed and published as official statistics.

Outputs

Outputs	Priority	Verifiable Indicators	Tentative Timeline	Assumptions/ Implementation Status
Review BOP survey data and insertion into ESS	High	All survey data is inputted correctly	October 2018	<i>Survey has been undertaken by CISO</i>
Review the data models developed in the ESS (inward tourist expenditure, students studying abroad, residents receiving health care abroad)	High	Data models are supported by relevant indicators	October 2018	<i>Statistics Office and MFEM work closely to ensure success of work</i>
Ensure consistency between ESS and GDP data	High	Data contained in GDP and ESS are consistent	November 2018	
Annual ESS estimates for 2011-2016, and consequently GNI estimates are developed and of robust quality.	High	Annual ESS and GNI are published as official statistics	Dec 2018	

Methodology

The supplier(s) must work closely with counterparts in the Cook Islands Statistics Office (CISO) to develop the series and must provide comprehensive metadata to enable continuing compilation. CISO is a division within the Ministry of Finance and Economic Management (MFEM).

The supplier will be required to develop and finalise the ESS compilation, incorporating the survey and other collected data, including implementation of robust methodology for non-survey components, using models (based on sound data) where appropriate.

The supplier will be required to spend some time in-country, working with CISO to collate and finalise the data series.

Performance Standards

Quality standards that apply

High standards of work are expected, including ability to work under pre-agreed timelines, understand the local context and work in collaboration with MFEM/CISO. The ESS will comply with the Balance of Payments and International Investment Position Manual, Sixth Edition.

The supplier(s) will be responsible for undertaking the work and overseeing the compilation.

In addition, the supplier(s) should receive and treat feedback from all stakeholders in a fair, impartial and confidential manner.

How quality standards will be measured, when and by whom

The Statistics Office, in partnership with MFEM will closely monitor the work undertaken by the supplier(s). The GNI Working Group will monitor and provide overarching advice.

Background

Brief history of the programme/activity

Following strong economic growth in 2014, 2015 and 2016, the Cook Islands Government was notified by the Organisation for Economic Cooperation and Development (OECD) that it was on the list of countries that was likely to reach high income status by 2017. This list is utilized by the OECD's Development Assistance Committee (DAC) to determine eligibility for Official Development Assistance (ODA).

In June 2017, a Cook Islands' Government official, together with New Zealand Ministry of Foreign Affairs and Trade (MFAT) Officials, visited Paris to present an argument to the OECD for additional time to address gaps in the current economic data on the Cook Islands. Key to this argument was that graduation should be based on Gross National Income (GNI) data. The Cook Islands does not currently produce this data, as a result Gross Domestic Product (GDP) was being used to determine eligibility. Due to the open nature of the Cook Islands economy it is highly likely that there are differences between GNI and GDP data series, as such GNI data is required to determine eligibility for ODA.

If the Cook Islands graduates prematurely due to inadequate data, this could have serious long-term negative consequences for economic development. Key issues to consider in the case of premature graduation are; the high cost of running government due to the geography of the Cook Islands, with many islands scattered over a large distance, vulnerability to natural disasters and economic downturns in Australia and New Zealand, and the cessation of community development programs most of which is funded by ODA.

In July 2017, the OECD agreed to provide the Cook Islands until the end of 2018 to develop GNI data. Since this time, CISO of the Ministry of Finance and Economic Management (MFEM) has been working closely with MFAT and the International Monetary Fund's Pacific Financial and Technical Assistance Centre (PFTAC) on the development of this data.

Relevant reports/documentation

Report on the External Sector Statistics Mission, September 18-30, 2017 (and previous mission reports from 2015, 2016 and 2017)

Other related activities and/or donor engagements

Three recent PFTAC missions (August 2015, March 2016 and March-April 2017) provided technical assistance to CISO on the compilation of the CI ESS. The previous PFTAC missions reveal that the current data sources used to compile balance of payments (BoP) statistics are inadequate as authorities are reluctant to release information to CISO. Further, existing administrative collections are not made readily available to CISO, are incomplete and untimely, and not of sufficient frequency to produce timely and higher frequency (quarterly) statistics.

The ESS mission reviewed the current BoP statistics compilation and the implementation of previous PFTAC recommendations; reviewed current data sources and methods and in cases obtained more accurate and up-to-date information; obtained data from a number of larger businesses and institutions and explored with them ways to obtain more up-to-date, frequent and better fit for purpose information.

Work has commenced on a policy-related study of Foreign Direct Investment in the Cook Islands. The overlapping data needs for the study and the ESS will be considered by MFEM/CISO for careful collaboration where appropriate.

Issues, risks or constraints

Issues

- Weak administrative data

Risks

- Disagreement on alternative data sources
- Businesses and other government agencies unwilling to supply data
- Data records incomplete/have gaps

Constraints

- Human resource constraints within the Cook Islands Statistics Office
- Results must be finalized by the end of 2018.

Governance and management

The GNI Working Group will govern the work.

Expected Competencies

It is expected that the supplier(s) will have the following key competencies:

- Excellence in ESS compilation methodology
- Competency in data-mining
- Strong quality management background
- Experience in Pacific or Small Island Developing State economies desirable

Application Requirements

To apply, please send a Curriculum Vitae and detailed quote to Natalie Cooke (natalie.cooke@cookislands.gov.ck) by 3pm 31 July 2018, Cook Islands time.