

TERMS OF REFERENCE

Technical assistance for the Development of the Tonga National Employment Policy

1. BACKGROUND

The purpose of the National Employment Policy (NEP) for Tonga will be to identify and implement ways to improve the quantity and quality of employment and ensuring everyone's access to employment opportunities. The NEP will state the employment objectives of Tonga and outline the ways how to achieve them. Policies to lift economic growth are necessary for employment growth. However, policies to increase the range of opportunities for employment for specific groups in the population such as women, young people and persons with disabilities and those in other vulnerable groups, as well as policies that focus on improving the quality of jobs, are of equal importance. Potential areas that need urgent reforms will be highlighted in the NEP to create an environment that is conducive to decent job creation.

As a Pacific Islands Country (PIC), Tonga has manifold labour market challenges including unemployment, especially among youth. Indicators of job quality, including wages, also suggest that there is much scope for improvement. Moreover, Tonga is vulnerable to climate change, with sea level rise creating challenges and natural disasters frequently causing damage. Despite experiencing some modest economic recovery more recently, Tonga and its labour market remain vulnerable due to the continued high uncertainty in the global economy, the emergence of new crises such as the global cost-of-living crisis, as well as natural disasters and climate change.

The country faces a high vulnerability to external economic shocks and has limited capacity for major investments. Due to the resulting lack of decent employment opportunities, a large share of the population, including many young people, are looking for employment opportunities abroad, which on the one hand gives them opportunities for income generation, but on the other hand, causes labour and skills shortages domestically.

A NEP can help to strengthen the economy in Tonga, as it can contribute to creating an environment that allows for the creation of decent jobs for all. On the longer term, countries will benefit from better

safeguarding themselves against labour market vulnerabilities that were revealed during the recent crises. Moreover, countries should leverage the opportunities created by the trends shaping the world of work, including greening and digitalization, while at the same time addressing the challenges related to these trends. A NEP that focuses on the promotion of a job-rich and at the same time resilient recovery can help countries like Tonga in these endeavours.

The Government of Tonga in close consultation with employers' and workers' organizations, but also with other relevant stakeholders, has committed to developing its first National Employment Policy (NEP). NEPs offer a comprehensive, integrated policy framework that strives to influence the content of economic, sectoral and social policies. An NEP provides an overall, gender-responsive vision for interventions and actors concerned with employment in a given country by promoting coherence between a range of instruments, mechanisms and policies – including macroeconomic, trade, financial, industrial, sectoral, wage and social protection measures.

The ILO's Employment Policy Convention, 1964 (No. 122), provides Tonga with relevant guidance on the NEP. The Convention calls on countries to "declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment" (Article 1). The Convention asks the ratifying countries to develop and implement a NEP based on the following principles: that "there is work for all who are available for and seeking work; such work is as productive as possible; and that there is freedom of choice of employment and the fullest possible opportunity for each worker to qualify for, and to use his or her skills and endowments in a job for which he or she is well suited, irrespective of race, color, sex, religion, political opinion, national extraction or social origin".

The NEP is to take due account of the country's level of economic development. The policy is to be based on the mutual relationships between employment objectives and other economic and social objectives. The policy is also to "take such steps as may be needed, including, where appropriate, to establish programmes to implement the agreed measures". The policy is to be pursued by methods that are appropriate to national conditions and practices. At the same time, immediate areas needing urgent reforms will be identified with responsible agencies.

Tonga is committed to achieving the Sustainable Development Goals (SDGs). A NEP should link to any relevant strategic documents and plans, in order to have a coherent and integrated approach to employment.

2. OBJECTIVES:

The objective of this consultancy assignment is to support the development of the Tonga NEP for 2024-2028. The NEP shall follow the principles stipulated in the Employment Policy Convention, 1964 (No. 122), and other relevant normative instruments, and address selected country-specific employment challenges. It should be developed on the basis of broad-based consultations with all relevant stakeholders, including in particular employer and worker representatives, and tailored to the particular context of Tonga, building on the existing labour market information and analysis.

The NEP shall offer an integrated approach to employment and promote a coherent policy framework for creating more and better jobs, proposing gender-responsive and results-based policies, taking into account in particular the challenges of vulnerable groups on the labour market.

3. EXPECTED KEY OUTCOMES:

The deliverables of the consultancy are expected to:

- Assist the government and other key national stakeholders, including in particular social partners, to develop and implement a concerted, coherent and gender-responsive employment policy framework that addresses pressing labour market challenges. The government will have an integrated NEP framework, including an action plan, to advance productive employment and decent work for all, both in the formal and informal sectors, as well as in terms of gender, age, disability status, qualifications, wages and salaries, skills as well as other labour market dimensions.

4. SPECIFIC TASKS

The consultancy consists of the following tasks:

- Prepare a **work plan for the work to be carried out under this consultancy assignment**, including a proposed methodology with a detailed plan and timelines for completion of the work, and information on stakeholder consultations. An Annex should be attached to the work plan listing the key stakeholders to get in touch with for the consultation meetings, focus group discussions and key informant interviews.
- Prepare **guiding questions and methodology** for focus group discussions and consultations with relevant stakeholders in Tonga, clearly identifying information gaps for the employment situation analysis and extracting preferences from stakeholders regarding the policy priorities of a NEP. Identify the concrete stakeholders from whom the information is to be sought. Conduct focus group discussions and consultations with relevant stakeholders.
- Based on desk research consisting of the review of existing studies and information about the labour market and relevant policies, existing labour force and other relevant data, stakeholder consultations and focus group discussions, prepare an **employment situation analysis**.

This includes an assessment of economic growth, macroeconomic trends and development prospects in Tonga, as well as analysis of major labour market trends and patterns with a particular focus on key labour market indicators, including labour force participation, employment, unemployment, employment status, occupation, sector, labour migration, wages, working poverty, informal employment and other relevant indicators. Analyse labour force survey and other relevant data for Tonga and provide summary statistics of the main variables disaggregated by sex, age and disability status (where available), and their cross-sectoral and cross-occupational variation and summarize the main results in an appropriate graphical and tabular presentation, and concise narrative.

This also includes a comprehensive employment policy review for Tonga, consisting of a thorough analysis of the economic, social and legal context affecting employment, a review of the country's policy framework and how it supports decent work objectives (national/regional/local development policy, active and passive labour market policies, wage policies, enterprise development policies, migration policies etc.), an analysis of the relevance of the education and training system, as well as an assessment of social dialogue and its role in promoting decent work.

The employment situation analysis will be prepared as a report (at least 30 pages), with key findings prepared in ILO brief format (10-15 pages). Any figures will be prepared in Excel format and shared.

- Prepare a **draft annotated outline of the NEP** that presents the structure. The NEP will be structured based on guidance and feedback from the ILO and national stakeholders.¹
- Prepare a **first draft of the NEP**, following the reviewed annotated outline, developed on the basis of stakeholder consultations and building on deliverables submitted to date.
- Prepare a **second draft of the NEP**, incorporating comments and suggestions obtained from ILO and national stakeholders through written feedback and other means.
- Prepare inputs into a NEP action plan, which includes a **list of actionable and concrete policy measures and programmes** with proposed responsibilities of key stakeholders and timelines, the **institutional framework and mechanisms for NEP coordination and implementation**, the **Financing Strategy** and the **monitoring and evaluation framework**. These inputs will be developed based on stakeholder consultations and build on deliverables submitted to date.
- Deliver **presentations of the employment situation analysis, the second draft NEP and the inputs into an NEP action plan** at a consultations workshop organized by the ILO in coordination with the Government of Tonga, as well as **slides** for these presentations.
- Prepare **final draft of the NEP and the NEP action plan**, ready for adoption and developed and finalized on the basis of consultation and review by ILO and national stakeholders, and taking into account the feedback provided during a validation workshop and other stakeholder consultations, incorporating comments and suggestions obtained through focus group discussions, written feedback and other means.
- Deliver **presentation of the final draft NEP and NEP action plan** at a validation workshop organized by the ILO in coordination with the Government of Tonga, as well as **slides** for these presentations.

Gender issues shall be explicitly addressed throughout the activities of all tasks within the consultant's responsibilities and any outputs including final reports or events shall mainstream gender.

5. DELIVERABLES AND TIMELINE:

The assignment starts on **8 July 2024** and is expected to be completed by **15 December 2024**. Deliverables are aligned with this tentative timeline (subject to change) as follows:

Deliverables	Tentative due date
1. Work plan	12 July 2024
2. Guiding questions and methodology	12 July 2024
3. Employment situation analysis (report and ILO brief)	31 July 2024

¹ Further guidance on the steps, content and structure of formulating the NEP is available in the ILO Guide for the formulation of national employment policies.

4. Draft an annotated outline of the NEP	31 July 2024 Payment 30%
5. First draft of the NEP 6. Second draft of the NEP 7. Inputs into a NEP action plan 8. Presentation of employment situation analysis, second draft NEP and inputs into an action plan at consultation workshop in Tonga, slides (virtual or in-person, TBD)	20 August 2024 10 September 2024 10 September 2024 Mid/end September 2024 (TBC) Payment 30%
9. Final draft of the NEP and the NEP action plan 10. Presentation of final draft NEP and NEP action plan at validation workshop; slides (virtual or in-person, TBD)	31 October 2024 November/December 2024 (TBC) Payment 40%

All payments will be made upon receipt of an invoice and deliverables submitted to the satisfaction of the ILO. The ILO brief format will be shared with the consultant or consultancy company beforehand.

All deliverables shall be submitted via email to Mr. Christian Viegelahn, Employment Specialist, viiegelahn@ilo.org, Ms. Sonja Aholelei, Programme Assistant, aholelei@ilo.org, and Ms Helen Kirsch, Project Manager, kirsch@ilo.org, at the ILO Office for Pacific Island Countries in Suva.

6. QUALIFICATIONS

The assignment is to be carried out by consultant(s) or a consultancy company whose lead consultant should ideally have the following qualifications:

- An advanced degree in the field of labour economics, social development, or a related area with demonstrated expertise on employment issues.
- At least 5 years of relevant professional experience in economic, social and employment policy and programme development with experience in labour market analysis.
- Relevant international experience and knowledge of labour markets in the Pacific would be an advantage. Sound understanding of the economic, cultural and social context in Tonga would be an asset.
- Excellent drafting and report writing skills. Ability to present information in readily understandable forms.
- Ability to communicate effectively both orally and in writing. Ability to work on own initiative as well as a member of a team. Ability to plan and organise work.
- Excellent command and proficient working ability in English.
- Experience in policy and programme monitoring and evaluation, including definition of performance indicators, is an asset.
- Experience in working with international organizations like ILO or UN agencies will be an added advantage.
- Experience preparing NEPs or similar policy documents will be an advantage.

7. PROPOSAL

Technical and financial proposals should be sent to Mr. Christian Viegelahn, Employment Specialist, viiegelahn@ilo.org, Ms. Sonja Aholelei, Programme Assistant, aholelei@ilo.org, and Ms Helen Kirsch, Project Manager, kirsch@ilo.org **by 26 June 2024.**

In submitting an expression of interest to implement this project, interested consultants should address both **technical and financial aspects in the proposal.**

The technical proposal should be grounded in a thorough reading of the available material, demonstrate a clear understanding of the TOR, and set out, with appropriate explanatory comments, a proposed methodology that includes, among others, a detailed work plan with timelines for completion of the work, and information on stakeholder consultations.

The submissions should also include:

- Detailed curriculum vitae of the consultant and any of the proposed team members (if applicable);
- Proposed work plan, methodology, timeline (2-3 pages);
- (Optional) Samples of written work (e.g. publications, reports) by the consultant(s);
- (Optional) Names and contact details of three referees,
- Date of availability to take up consultancy.

The financial proposal should be deliverable-based and include:

- The daily rate of the consultant or fee of the company
- Days required to complete each deliverable
- Costs for local or (if applicable) international travel
- If applicable, Daily Subsistence Allowance (DSA) for all days spent travelling following standard UN DSA rates for Tonga (currently USD 335 per day for Rarotonga).

The proposal needs to specify whether there are any expectations on the ILO to in addition hire a national consultant based in Tonga as a team member, in support of the delivery of the assignment (providing local contacts, setting up meetings etc). Different modalities will be considered and discussed before the contract will be awarded.

8. CONFIDENTIALITY/OWNERSHIP OF MATERIAL

The title rights, copyrights, and all other rights of whatsoever nature in any material produced under the terms of this Project which do not otherwise vest in the beneficiary government/organisation, shall be vested exclusively in the ILO, and the consultants should seek the approval of the ILO for any publication which they may wish to undertake.

9. REPORTING

The consultant will provide regular updates on the work carried out to the ILO team as well as national counterparts, including government and social partners, as advised.

11. REFERENCES

The consultant will identify various sources of information, and will also take into account the following sources:

- ILO. Guide for the formulation of national employment policies, available at https://www.ilo.org/emppolicy/pubs/WCMS_188048/lang--en/index.htm
- ILO and ADB (2020) Tackling the COVID-19 youth employment crisis in Asia and the Pacific, available at https://www.ilo.org/asia/publications/WCMS_753369/lang--en/index.htm
- ILO (2022) Asia-Pacific Employment and Social Outlook, available at https://www.ilo.org/asia/publications/WCMS_764090/lang--en/index.htm
- ILO (2024). Pacific Employment and Social Monitor, April 2024, available at <https://www.ilo.org/publications/pacific-employment-and-social-monitor-april-2024-towards-resilient-labour>
- ILO (2022). Resolution concerning the third recurrent discussion on employment, available at <https://www.ilo.org/resource/ilc/110/resolution-concerning-third-recurrent-discussion-employment>
- ILO (2017) A study on the future of work in the Pacific, available at https://www.ilo.org/suva/publications/WCMS_553880/lang--en/index.htm
- ILO (2019) Future of Work for Climate Resilience in the Pacific Islands, available at https://www.ilo.org/suva/publications/WCMS_712546/lang--en/index.htm

Further resources are available at ILO's newly launched [Employment Policy Action Facility](#).