



BUDGET ADVOCACY NETWORK

TERMS OF REFERENCE (TOR) FOR CONSULTANT TO UNDERTAKE TAX PERCEPTION SURVEY

1. Introduction

Governments' ability to collect taxes depend on people's willingness to pay them. Encouraging tax compliance demands a careful understanding of how taxpayers think about and experience taxation. Knowledge about taxpayer attitudes and behavior is essential when analyzing opportunities and constraints for reform, and for the design and implementation of effective policy and administrative measures to enhance compliance.

Listening to customers and measuring their satisfaction can help the National Revenue Authority (NRA) improve on revenue generation services, which will help the Authority improve public trust and credibility as enshrined in the NRA Strategic Plan 2018-2022. It will also inform broader policy around tax and expenditure, including the equity of the tax system, whether taxation is supporting or impeding growth, tax enforcement, how to improve tax policy and creating a stronger link between tax and expenditure to boost tax motivation and willingness to pay. This will be of relevance to the Ministry of Finance, civil society and others.

With regards to the above, the Budget Advocacy Network (BAN) in consortium with Christian Aid, Center for Accountability and the Rule of Law (CARL), and Restless Development (RD) with support from the Department for International Development (DFID) would like to contract a consultant to undertake a tax perception survey in Sierra Leone. The consortium is implementing a programme titled 'Strengthening Public Financial Management, Anti-Corruption and Accountability Institutions in Sierra Leone'. The overall purpose of the programme is 'a more effective executive that can raise, allocate and transparently use public resources to drive inclusive development'.

This tax perceptions survey is one of the key deliverables for the project. It will allow an assessment of the efficiency of revenue administration from the customer's perspective, as well as views on tax equity and compliance motivation; and hence can be employed to gauge the general trends in tax compliance and the trust of stakeholders and the general public in both the collection and use of taxation.

1.2 Aim and Objectives of the Survey

The prime aim of this survey is to study the awareness, perception and tax compliance decisions of individuals, businesses and institutions in a bid to improve public trust and credibility in the NRA. The survey will also consider other types of taxes and fees (including local and informal taxes) in order to explore potential differences in taxpayers' perceptions with regard to those.

The specific objectives include:

- i. To establish the level of taxpayers' general tax awareness and how this varies amongst central, local and informal taxes;
- ii. To study the influence of tax awareness on voluntary tax compliance decisions;
- iii. To understand how taxpayers' perception influences their voluntary tax compliance decision;
- iv. To assess customer satisfaction with the Authority's service delivery levels and strategy;
- v. To assess the level of trust customers have in the collection and use of tax revenue by various parts of government;
- vi. To assess satisfaction levels with the extent of taxpayers sensitisation and education;
- vii. To assess satisfaction levels with revenue collection, cost and ease of compliance, enforcement actions, and handling of objections and complaints;
- viii. To assess taxpayers views of the fairness of the tax system and how that relates to their motivation to pay taxes;
- ix. To assess views from taxpayers about the impact of tax policy and administration on private sector growth;
- x. To ascertain the compliance of taxpayers in meeting their tax obligations in a timely manner;
- xi. To assess satisfaction levels with customs clearance processes;
- xii. To suggest ways in which the revenue system could be made more effective, efficient and equitable.

1.3 Specific Task for the Consultant

The survey data will largely be collected by Restless Development, who will recruit and train the data collectors. The role of the consultant will be to set the questions, methodology and sampling frame (in consultation with the partners), as well as to carry out a small number of interviews with experts and large taxpayers and to develop the final report. More specifically, the consultant is expected to undertake the following tasks and activities during the course of the survey:

1. Review the (2008) tax perception survey report and the (2017) customers' satisfaction report done by NRA, as well as other relevant desk research;
2. Lead the development of the tools and sampling frame to be used for the tax perception survey;
3. Participate in the training of the survey enumerators in order to explain how to best deliver the questionnaire;
4. Provide overall technical advice during the implementation of the survey;
5. Supplement the data collected by Restless Development with interviews with key tax experts and a small number of interviews or/and focus group discussions with large businesses and taxpayers;
6. Analyse the field data and write a comprehensive report;
7. On acceptance of the final draft of the report, prepare a policy summary note for easy comprehension of the outcome of the survey;
8. Lead the presentation and discussion of the survey findings at a stakeholder workshop.

1.4 Coverage of the Survey

The survey is expected to cover the entire country, including Freetown, provincial and district head quarter towns and Customs border communities. Small, medium and large taxpayers shall all be included in the survey, largely focusing on the range of taxes collected by the NRA, but also considering district and local level taxes to a lesser extent. The survey should be representative and statistically robust.

1.5 Timeline and deliverables

The Survey is expected to last for four (4) months and on this note, the consultant is expected to prepare a more detailed work plan, indicating activity schedules for the execution of the entire survey within the time frame.

In summary, the expected deliverables of the assignment include:

- Finalised research proposal and survey questions (August 14th)
- A comprehensive Survey Report (18th October)
- A summarized policy note (28th October)
- Powerpoint presentation and discussion of the survey findings in Freetown (8th November)

1.6 Qualification and Experience of the Consultant/Firm

The Budget Advocacy Network is looking to hire a consultant with the following qualifications:

- (a) Experience of the Consultant: Minimum of ten years of relevant experience on carrying out surveys on service delivery and economic governance issue; and/or other relevant fields such as economic development, taxation and public financial management. In particular, experience of leading perception surveys related to taxation would be preferable. The consultant should also demonstrate experience working in Sub Sahara Africa, with specific experience in Sierra Leone desirable but not essential.
- (b) Qualification of the consultant: The successful consultant should have a postgraduate degree in any of the following: Economics, Development Economics, Statistics or Tax Policy Analysis.

Interested persons or firms should forward their Expression of Interest (EOI) to:

BAN office, 22E Carlton Carew Road, off Wilkinson Road, Freetown; or via email to bansecretariat@gmail.com on or before **2pm on the 29th July 2019**. These applications should include a provisional contents page for the report, timelines, and brief overview of the methodology they propose to use, including how they would draw up the sampling frame and survey questionnaire. A financial proposal stating the consultancy fees must also accompany the EOI.

A short note on the profile of the firm or a short bio of the consultants applying for the assignment and samples of previous work must accompany the applications.

Only shortlisted applicants will be notified.