

Terms of Reference for consultancy services for ActionAid briefings on progressive taxation

1. Background

A fair and effective tax system is key to sustainable development, as it can mobilise the domestic revenue needed to fund public services such as health care, education, law enforcement agencies, infrastructure etc, while at the same time playing a redistributive and formative role, helping to reduce economic inequalities. The 2030 Agenda for Sustainable Development – known as the Sustainable Development Goals (SDGs) – can only be met if it is adequately funded. Taxation is therefore at the centre of sustainable human development.

The quality and success of a tax system is, however, not measured only by the amount of revenue it generates, but *how* that revenue is generated and how the incidence is distributed - and how to revenue is allocated and spent. ActionAid believes that tax systems need to be progressive, meaning that those more able to pay do so at higher rates. In practice, this means that the tax rate increases as the taxable amount increases, and that countries rely less on taxes that tend to affect the poor disproportionately such as consumption taxes (e.g. VAT) and more on those taxes that affect more well-off parts of society, such as capital gains and property taxes.

ActionAid has a strong interest in the progressive or regressive nature of taxes because of our commitment to social justice, human rights and fighting economic inequalities.

2. Objectives of the briefings

- Inform and support ActionAid's advocacy for more progressive tax systems in countries where ActionAid operates;
- Provide a tool to campaigners, advocates and journalists to shift the narrative on tax systems and their role in fighting economic inequality.

3. Scope

We aim to publish 6-8 briefings focusing on the key elements of tax systems from the point of view of increasing their overall progressiveness. The briefings will cover the following topics (the exact list and scope of each briefing being subject to discussion with the Consultant(s)):

- VAT / GST;
- Excise taxes;
- Property tax;
- Capital gains tax;
- International trade taxes;
- Presumptive taxation in informal economy;
- Inheritance and wealth taxes.

Each briefing (of approximately 4 pages) will include a short explanation of the tax measure and its potential implications for tax revenue collection as well as recommendations for the application of the measure with the view of increasing the progressiveness of the overall tax system. Each briefing will also include cases of application of such measure in developing countries, highlighting best practices.

4. Responsibilities of the Consultant(s)

- Discuss and agree Terms of Reference with ActionAid on the exact list, scope and time frame of the briefings;
- Submit draft briefings for review and feedback to ActionAid team within the agreed timeline;
- Produce the final briefings accommodating the inputs and feedback provided;
- Deliver 3 online briefing sessions (of app. 1h30 each) for ActionAid staff on the topics covered by the briefings;

ActionAid will assign a support team for agreeing the exact scope of the briefings, coordinating and providing feedback to draft briefings and dealing with any other issues relating to the briefings.

5. Time-Frame

The work on this research will start during in mid-June 2018, in order to ensure the final report is ready for dissemination by early September 2018. The consultancy is estimated for approximately 25 working days.

6. Consultant specifications

ActionAid is looking for a qualified and experienced consultant, or team of consultants with a background in tax justice and experience in economic and social research and demonstrated capacity to undertake the type of services sought within the indicated timeline and budget.

7. Fees

The assignment is estimated for 25 working days. Interested candidates are required to submit a financial proposal outlining the exact number of days and daily rate.

8. Applications

Interested candidates are invited to submit the following application documents:

- A copy of the CV of the consultant/s who will be assigned to conduct the work
- A technical proposal (max 2 pages) detailing:
 - Consultants' relevant experience;
 - Their understanding of the ToR;
 - Financial proposal.
 - Availability and financial considerations.
- A sample of relevant reports or publications.

Please send your applications to Ann-Marie Kalby (amk@ms.dk) by 30th May 2018.

For any questions please contact Soren Ambrose, Policy Advisor at ActionAid International (soren.ambrose@actionaid.org) and Kasia Szeniewska, International Tax Policy and Programme Advisor at ActionAid Denmark (kasia.szeniewska@actionaid.org).