



## Citizens' Voice Project

# Citizens' Voice and Public Accountability in Tax Collection Sector

## Monthly Progress Report March 2013

**Grantee: Governance Institutes Network International**

**Disclaimer:**

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## LIST OF ACRONYMS

APP	–	All Pakistan Press and Publication
CBOs	–	Community Based Organizations
CVPA	–	Citizens' Voice Project
FCCI	–	Faisalabad Chamber of Commerce and Industries
FGDs	–	Focused Group Discussions
FOs	–	Farmers' Organizations
GINI	–	Governance Institutes Network International
IEC	–	Information Education and Communication
HR	–	Human Resource
KII	–	Key Informant Interview
KPIs	–	Key Performance Indicators
MIS	–	Management Information System
MPAs	–	Member of Provincial Assembly
PMEP	–	Performance Monitoring and Evaluation Plan
RBM	–	Result Based Management
RM	–	Research Manager
RTO	–	Regional Tax Office
TDEA	–	Trust for Democratic Education and Accountability
TL	–	Team Leader
TOR	–	Terms of Reference

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## A. Project Summary:

<b>Reporting</b>	
<b>Name of the Sub-Grantee Organization:</b>	<b>Governance Institutes Network International</b>
<b>Project duration:</b>	<b>From <u>Nov 19, 2012</u> To <u>Nov 18, 2013</u></b>
<b>Title of the project:</b>	<b>"Citizens' Voice and Public Accountability in Tax Collection Sector" Central Punjab</b>
<b>Project Location:</b>	<b>Country: Pakistan</b> <b>Province: Punjab</b> <b>District (s): Sargodha, Faisalabad, Gujranwala</b>
<b>Project Objectives (overall and per sector):</b>	<ul style="list-style-type: none"><li>a. Strengthened Citizen Voice through Oversight of public bodies allowing policy reforms</li><li>b. Government-civil society linkages to enhance accountability</li></ul>

## **B. Project Achievements in the Reporting Period:**

In order to achieve the project objectives;

1. Engaging sales tax paying enterprises in working for the simplification of the administrative burden of complying with the sales tax law.
2. Establishing forums where citizens and civil society can participate in and contribute to the policy making, legislative and monitoring processes, and engage with political parties /elected representatives, parliamentary committees, anti-corruption departments, and relevant public bodies.
3. Oversight of relevant institutions to identify strengths, weaknesses and challenges to inform public discourse and provide appropriate feedback into policymaking, administration and monitoring at the Federal level.
4. Promotion of informed public dialogue around the policies and administration of Federal Sales Tax.
5. Campaigns and media reporting for the recognition and implementation of universally accepted tax-payers' rights and effective grievance redress where those rights are violated by Federal authorities

GINI carried out the following activities contributing to the cause of the project, in the month of March, 2013;

- 1. Analysis, Inference and Report of Baseline Survey of 450 sales tax paying enterprises and 15 Key Informant Survey**
- 2. Meetings with Supply Side and Demand Side Stakeholders**
- 3. Coordination with Tax Watch Expert Panel**
- 4. Features of Tax watch Report**
- 5. Electronic and Print Campaign**
- 6. Correspondence with stakeholders**
- 7. Project projection on webpage and social media**

## ***Activity Wise Description***

### **1. Analysis, Inference and Report of Baseline Survey of 450 sales tax paying enterprises and 15 Key Informant Survey**

An in-depth analysis was conducted to draw inferences on the baseline survey of 450 sales tax paying enterprises in three districts i.e. Faisalabad, Gujranwala and Sargodha. 150 small sales tax paying enterprises were selected from each of three district, the data sets were obtained from district Chambers of Commerce, RTO offices and Enterprises Associations. The data collected is assimilated and inferred using descriptive statistical tools.

In order to have a fair analysis of the administrative and operational constraints of the tax collection system and service delivery 15 Key Informant Interviews were conducted. The respondents of the KIIs were officials of the Inland Revenue Offices, duty bearers at the Chamber of Commerce and Industries, officials of district Bar Associations among others. The Baseline study report was compiled and shared with CVP.

### **2. Meetings with Supply Side and Demand Side Stakeholders**

Coordination and partnership meetings were held with the Commissioners Regional Tax Offices, Deputy Commissioners Regional Tax Offices, Officials of Chamber of Commerce and Industries, Complaint Cells established for redress of grievance of Tax Paying Enterprises.

### **Supply Side: (this is a potential list and correspondence may be developed with all or few most relevant to the project)**

1. Federal Board of Revenue (main office and RTOs in target districts)
2. Accountability institutions including the Federal Tax Ombudsman, Auditor General of Pakistan, National Accountability Bureau, and Federal Investigation Agency.
3. Parliamentary Committees including the Public Accounts Committee and Finance, Revenue & Planning and Development Committee of the National Assembly and the Finance Committee of the Senate
4. Chambers of Commerce and Industry at the local (target districts), provincial and national levels
5. Government Bodies working on Taxation
6. Members of Political Parties
7. Members of National and Provincial Assembly
8. Members of Local Administration
9. Donor Agencies

## **Demand-Side:**

1. Sales tax paying enterprises
2. Tax Bar Associations at the local (target districts), provincial and national levels
3. Universities and research institutes
4. Member of Small Business Associations
5. Member of Local Civil Society/Community Based Organization
6. Member of Print and Broadcast
7. Non-Governmental Organizations
8. Member of Taxpayers Associations and Think Tank

### **3. Coordination with Tax Watch Expert Panel**

An interactive and productive correspondence kept the Following are the members of the Taxation Watch report Panel involved on policy watch;

1. Mr. Ejaz Asad Rasul, Commissioner Inland Revenue Gujranwala
2. Mr. Zafar Iqbal Sandhu, Deputy Commissioners Inland Revenue Gujranwala
3. Mr. Ahmad Raza, Secretary Chamber of Commerce and Industries Gujranwala
4. Ms. Reena Mumtaz Sarwar , Members Tax Bar Association Gujranwala
5. Mr. Zahid Aslam, President Chamber of Commerce and Industries Faisalabad
6. Mr. Abdul Qayyum Ch., Member Tax Bar Association Faisalabad
7. Mr. Zulqurnain Gondal, Deputy Commissioner Inland Revenue Sargodha
8. Mr. Hassan Rao, Member Tax bar Association Sargodha
9. Ms. Mussarat, Member Tax Audit, FBR
10. Ms. Raana Seerat, Member HRM, FBR
11. Ms. Aisha Farooq, Secretary HRD, FBR
12. Mr. Majid Qureshi, Chief Tax, FBR
13. Mr. Mansoor Sadiq, Second Secretary (Legal), FBR
14. Agha Mujeeb-u-Rehman, President, Rawalpindi Islamabad Tax Bar Association (RITBA)
15. Mr. Zahid Shafiq, Secretary, Rawalpindi Islamabad Tax Bar Association (RITBA)
16. Mohammad Ahmad Tariq, Member, Rawalpindi Islamabad Tax Bar Association (RITBA)
17. Mr. Mehmood Khalid, Research Economist, Pakistan Institute Development Economics, Islamabad

18. Dr. Attiya Yasmin Javid, Professor of Economics / Section Head, Private Sector Development, Pakistan Institute Development Economics, Islamabad

19. Dr. Azra Tasneem, International Trainer on Taxation

#### **4. Features of Tax watch Report**

Tax reform is one of the few surviving policy options left to the Pakistan government, for achieving and sustaining fiscal stability, growth and equity. Pakistan's revenue collection is historically poor and currently worsening. Poor revenue collection stems from long ignored structural problems in tax policy and administration. The involvement of citizens and civil society is essential for tax reform. This projects seeks to: a) amplify citizens voice and demands; b) establish forums where citizens and civil society can participate in and contribute to the policy making and engage with policy makers; c) facilitate oversight of relevant institutions by citizens and civil society; d) promote informed public dialogue around Federal tax policy and administration; and run campaigns and media reporting for improved delivery of taxpayer's rights. The achievement of these objectives would result in: a) enhanced awareness and knowledge among taxpayers of their rights; b) informed public debate and discourse on tax policy and administration, and the need for tax reform; c) improved taxpayer-friendliness of RTOs; d) improved satisfaction and awareness among taxpayers of grievance redress and complaint handling systems in tax collection; e) improved transparency and accountability of tax policy and administration and f) independent, evidence-based and participatory evaluation of tax policy and administration to feed into reform efforts.

The Taxation Watch Report deciphers the major trends and milestones in Tax Collection sector in general and Sales Tax in particular. GINI has established a network of stakeholders bridging the rights holders and duty bearers in Sales Tax sector. The registered sales tax paying enterprises of district Faisalabad, Gujranwala, and Sargodha espousing with Tax Bar Associations, Non-Governmental Organizations and other forums working on Taxation from the Demand-side group where as Government entities, Inland Revenue offices, RTOs and FBR form the Supply-side group. GINI keeps follows the policies, rules and procedures in the sector and convenes debates and opinion poll using social media among the panelists who are the Presidents/Secretaries of Chamber of Commerce and Industries, Commissioners/Deputy Commissioners of Revenue Departments, Members of Tax Bar Associations, Researchers, think Tanks, from the respective districts and Federal level. GINI tabulated the Taxation Perceptions Index (TPI) which is sourced from a quarterly online survey, as well as a quarterly review of Federal Sales Tax policy and administration by a panel of analysts, constituted from among the stakeholders mentioned above. The scores for this Index are based on indicators of equity and fairness of tax policy and the effectiveness and efficiency of tax administration.



## **5. Electronic and Print Campaign**

Subsequent to signing MOUs with Three cable network operators i.e. one in each district an awareness campaign was run for the rights and roles of Taxpaying enterprises. Similarly arrangements were made for regular Press Conferences to have the Press appearances. Coordination meetings were held with two FM stations and MOUs were signed.

## **6. Correspondence with stakeholders**

In order to keep the stakeholders on board letters and emails were sent to duty bearers in addition to this telephonic contacts were made with the stakeholders identified in activity No. 3.

## **7. Project projection on webpage and social media**

A project dedicated interactive web portal is maintained to project the cause, the web page has, project disclaimer, project brief and introduction, project proposal, gen-chart, monthly report, taxation watch report, field activities, media release etc. Social blogs are maintained and face book account is dedicated to the project.

## C. Progress Tracking Sheet

Project Activities	Total Targets	Targets		Achievements		Variance		% Achievements against the targets of current month	% Achievements Against total targets	Reasons of Variance	Gender wise Participation		
		Current month	As of this month	Current month	As of this month	Current month	As of this month				Men	Women	Total
		A	B	C	D	E = A-C	F = B-D	G=C/A	H=D/B				
Baseline Survey Report	465	465	465	465	465	0	0	1	1		360	105	465
Meetings with Supply Side and Demand Side Stakeholders	45	10	10	10	10	0	0	1	1		25	20	45
Coordination with Tax Watch Expert Panel	19	19	19	19	19	0	0	1	1		12	7	19
Features of Taxation Watch Report	1	1	1	1	1	0	0	1	1		NA	NA	NA
Electronic and Print Campaign	200	20	20	20	20	0	0	1	1		NA	NA	NA
Project webpage and social media projection	1	1	1	1	1	0	0	1	1		NA	NA	NA
Correspondence	50	10	10	10	10	0	0	1	1		TBD	TBD	TBD
Press Conference	30	3	3	3	3	0	0	1	1		NA	NA	NA

## **D. Major issues during project implementation and suggestions to overcome these issues/or how the issues were solved:**

GINI was not able to conduct Federal Policy Roundtable and District Mobilization Workshop due to no funds transfer since December 2012.

## **E. Monitoring & Evaluation:**

GINI will continue following the PMEP to ensure the relevance of the deliverables against the project objectives as per the indicators from the sources derived from the matrix. GINI will ensure Relevance, Effectiveness, Efficiency, Impact and Sustainability in the domain of Evaluation.

## **F. Major activities planned for the next month:**

During the next reporting period, GINI will:

- Hold Federal Policy Roundtable
- Continue Awareness Campaign
- Prepare IEC material
- 2nd Taxation Watch Report
- Prepare for district mobilization workshops