

MONITORING THE RESULTS OF THE IGR PEER LEARNING EVENT

Terms of Reference

1. Introduction

In the light of the current fiscal constraint faced by States, a key area of concern for Governors is finding ways of improving their IGR. This is particularly so as a large number of States depend on federation transfers to finance their budgets. A review of available IGR data from 2008-2015 shows that IGR collection as a share of total revenue in most States remains significantly low, although, the share of tax revenue in IGR has increased over time in some States, due to a number of commendable practices. NGF and its development partners agreed that there was the need to further deepen the analysis to distill IGR lessons that can be shared and replicated across other States towards the improvement of their IGR outcomes.

To create the right forum for this, an IGR peer learning event was organised on November 16th and 17th 2015 with high level representation from States (Chairmen of Boards of Internal Revenue, Commissioners of Finance and Commissioners of Local Governments). The event presented a forum for States to learn from each other and from Federal and International experiences. Two specific activities were carried out prior to the event to better understand the IGR situation across States and to identify innovative practices that could be shared. These include:

- A scoping study carried out on the 36 States' IGR improvement trends and composition data;
- IGR case studies in selected States – Anambra, Niger, Edo, Lagos, Yobe and Kano States - based on the adoption of innovative practices that have worked.

Efforts were also made to capture strategic, systematic and sustainable reforms implemented that were traceable to the observed improvements. The 6 case study States developed presentations which were presented at the event. The States were systematically identified by the Technical Working Group that comprised of the NGF, SPARC, GEMS, World Bank, FEPAR and SAVI. These pre-event activities fed into the structuring of the 2-day peer learning IGR event.

Specific innovative approaches were adopted in the design of the event in order to maximize the learning opportunities including a zonal self-assessment process which afforded States the opportunity to self-assess themselves based on a matrix of selected IGR criteria capturing three broad tax areas (Tax Administration, Tax Policy and User Charges for public services). This helped them to assess their performance against agreed indicators, signified by red (weak), amber (fair) or green (good). Action Plans were then prepared by participants based on areas of priority; and to enable a proper monitoring system for implementation there form plans and the resultant effect on their performance, an IGR Dashboard was developed with support from SPARC. The IGR Dashboard has been presented to Governors and other members of the National Economic Council (NEC) during the

NEC retreat and to the Joint Tax Board during its just concluded quarterly meeting which held in Kano State.

2. Context

The IGR Dashboard is an excel-based software that provides a snapshot of the IGR reform position of the 36 States of the Federation. It is expected to be launched online to aid real time engagement with States. The tool is currently being managed by the NGFS in partnership with the Joint Tax Board, where the JTB will serve as the learning platform for generating data for updating the Dashboard; and a platform for stimulating discussions around the results coming out from the Dashboard analysis.

The NGFS on the other hand, will support the monitoring and implementation of Action Plans that will emerge from the use of the Dashboard, including those agreed at JTB meetings. NGFS will do this by ensuring high political support for the reforms through regular briefings to Governors on the status, reform imperatives and outcomes of IGR reforms across the 36 States.

To facilitate the monitoring of the states' IGR action plans, a on-line tax questionnaires will be developed to collect quantitative and qualitative IGR data on a monthly basis. The questionnaires will enable the NGF, JTB and development partners to track progress made in the implementation of the Action Plans and changes in tax systems and processes since the IGR peer learning event, assess the impact on IGR and identify implementation challenges faced by state governments. State tax officials are expected to provide inputs to the questionnaires that will facilitate the monitoring and assessment of progress in IGR reform at the state level by key stakeholders. In this context, the NGFS has requested the WB to support the development of the tax questionnaire that will be used as an assessment tool to monitor the IGR reform.

3. Objectives

The primary objective of the NGF IGR Dashboard is to develop an assessment tool to facilitate the monitoring and assessment of IGR reform in 36 states. The results could also inform the World Bank's state engagement activity on future interventions in the form of technical assistance as well as peer learning activities.

4. Tasks of the Consultant:

A consultant will develop a monitoring and assessment framework of IGR reform at the state level using tax questionnaires to be filled by state tax officials and the results will be posted on the NGF IGR Dashboard. Annex provides the detailed scope of IGR to be included in the questionnaires. .

- Develop a simplified tax questionnaires covering tax policy and tax administration issues. The questionnaires should be designed with a view to obtain objective responses from state tax

officials and to integrate the questionnaires into the online IGR Dashboard and also take into account of the scope identified in the state IGR action plans developed by participants at the November IGR event.

- Develop a scoring methodology that will be used to evaluate/assess the responses from the questionnaires including their interpretations with regard to progress in implementing the IGR action plan, IGR reform progress and impacts.
- Train the NGF and JTB staffs on the deployment of the questionnaires on the IGR Dashboard as well as the scoring methodology.

5. Consultant's Qualification

- A minimum of MA in Economics, Financial Management or Public Administration and/or other related discipline;
- Work experience in a government revenue agency for more than 10 years on tax policy and revenue administration;
- Sound analytical and technical competence in tax policy and administration;
- Extensive knowledge and experience on revenue policy and administration in Nigeria at the federal and state level;
- Excellent Communication Skills (written & oral English) is an essential requirement;

6. Output

- A set of questionnaires with details provided in the annex to serve as a data collection/assessment template for tracking the IGR reform across the 36 States
- A scoring methodology including interpretations of the scores to indicate status of reform actions, commendable practices, key challenges and monthly IGR data breakdown.

7. Duration of the assignment

The total number of working days required for this assignment will be no more than 20 days during May xx 2016 through July 31, 2016. A proposed time to be spent on the assignment is the following:

- 1 day for scoping exercise and prepare a work plan to be agreed with WB TTL, NGF&JTB
- 15 days for questionnaire design and scoring methodology
- 2 days for the revised version taking into account of stakeholders' comments
- 2 days for training NGF and JTF staffs

8. Reporting

The Consultant will report to Jariya Hoffman (Task Team Leader for the Peer Learning Trust Fund) WB.