



## Citizens' Voice Project

# Citizens' Voice and Public Accountability in Tax Collection Sector

## Monthly Progress Report January 2013

**Grantee: Governance Institutes Network International**

**Disclaimer:**

Citizens' Voice Project is being implemented with support from the American People through the U.S. Agency for International Development (USAID). The contents of this report are the responsibility of Governance Institutes Network International (GINI), and do not necessarily reflect the views of USAID or the U.S. Government.

## 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 January, 2013;

- 1. Conducting Baseline Survey of 450 sales tax paying enterprises**
- 2. Conducting 15 Key Informant Survey**
- 3. Coordination Meetings with Supply Side and Demand Side Stakeholders**
- 4. Network Membership and MOUs**
- 5. Formation of Tax Watch Expert Panel**
- 6. Taxation Watch Report**
- 7. Electronic and Print Campaign**
- 8. Electronic, Postal and Telephonic Correspondence with stakeholders**
- 9. Project webpage and social media projection**
- 10. Press Release of the project activities**

## ***Activity Wise Description***

### **1. Conducting Baseline Survey of 450 sales tax paying enterprises**

The baseline survey of 450 sales tax paying enterprises in three districts i.e. Faisalabad, Gujranwala and Sargodha was conducted subsequent to the approval of the Baseline Survey Methodology and theme conforming questionnaire. 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.



### **2. Conducting 15 Key Informant Survey**

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.

### **3. Coordination Meetings with Supply Side and Demand Side Stakeholders**

Coordination 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

### **4. Network Membership and MOUs**

Networks formation is pivotal for the sustainability and effective policy reforms for this purpose, network membership forms are been signed from the stakeholders from both supply-side and demand-side. In addition to membership forms MOUs are signed with the key entities having stake in tax collection sector.

### **5. Formation of Tax Watch Expert Panel**

Following are the members of the Taxation Watch report Panel;

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

## **6. Taxation 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.

### **7. Electronic and Print Campaign**

MOUs were signed with Three cable network operators i.e. one in each district. 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.

### **8. Electronic, Postal and Telephonic Correspondence with stakeholders**

Introductory Letters, emails and meetings were held with the stakeholders identified in activity No. 3.

### **9. Project webpage and social media projection**

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.

### **10. Press Release of the project activities**

Three Press Conferences were held, one in each district i.e. Faisalabad, Gujranwala and Sargodha for project field activities. Reflection of the Press Coverage is appended below;



# فیصل آباد میں ٹیکس دہندہ کے شعور کو اجاگر کرنے کی مہم شروع

**GINI نے USAD کے تعاون سے پراجیکٹ کا آغاز کر دیا، امجد پرویز**

ٹیکس دینے والے چھوٹے کاروبار کرنے والوں کے حقوق کے تحفظ کیلئے سرگودھا اور گجرانوالہ میں بھی پراجیکٹ شروع

ہے اور ساتھ ہی ساتھ انہیں ٹیکس پالیسی میں بھی شامل کرنا ہے۔ جینی (GINI) کے کنٹری ڈائریکٹر اور پراجیکٹ انچارج امجد پرویز نے میڈیا کو اس پراجیکٹ کی تفصیلات سے آگاہ کیا اور سرکاری اور غیر سرکاری اداروں سے تعاون کی اپیل کرتے ہوئے کہا کہ تمام ایسوسی ایشنز کو چاہیے کہ وہ اس پراجیکٹ کی میٹنگز جیسے گروپ ڈسکشنز اور راؤنڈ ٹیبل میں حصہ لیں تاکہ ان کی ڈیمانڈز کو پالیسی میکرز اور متعلقہ اداروں تک پہنچایا جاسکے۔



فیصل آباد (پ ر) گورننس انسٹی ٹیوٹ انٹرنیشنل (GINI) نے ریاست متحدہ امریکہ کے بین الاقوامی ترقی کے ادارے (USAID) کے سینیئر نذر افس پراجیکٹ (CVP) کے تحت ٹیکس دینے والے چھوٹے کاروبار کرنے والوں کے حقوق کے تحفظ کے لیے سرگودھا، فیصل آباد اور گجرانوالہ میں پراجیکٹ کا آغاز کیا ہے۔ گورننس انسٹی ٹیوٹ نیٹ ورک انٹرنیشنل (GINI) ایک غیر سرکاری تنظیم ہے جینی (GINI) کے اس پراجیکٹ کا مقصد ٹیکس دہندہ کے شعور کو اجاگر کرنا اور ان کے حقوق سے آگاہ کرنا

## 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				
Conducting Baseline Survey of 450 sales tax paying enterprises	450	450	450	450	450	0	0	1	1		350	100	450
Conducting 15 Key Informant Survey	15	15	15	15	15	0	0	1	1		8	7	15
Coordination Meetings with Supply Side and Demand Side Stakeholders	45	10	10	10	10	0	0	1	1		25	20	45
Network Membership and MOUs	50	50	50	50	50	0	0	1	1		30	20	50
Formation of Tax Watch Expert Panel	18	18	18	18	18	0	0	1	1		12	6	18
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	0s	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:**

No major issues arose during project implementation period reported.

**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:

- Conduct Federal Policy Roundtable
- Continue Awareness Campaign
- Prepare IEC material
- Analyze data and submit Baseline Survey Report
- Prepare for Taxation Watch Report
- Network Membership and MOUs
- Prepare for district mobilization workshops

