

**GOVERNMENT OF THE PEOPLE'S REPUBLIC OF
BANGLADESH**



**TERMS OF REFERENCES (TOR) &
REQUEST FOR EXPRESSION OF INTEREST (REOI)
FOR
Independent Verification Consultant
(International Professional Services Firm)**

**Support Implementation of the Revenue Mobilization Program for
Results: VAT Improvement Program (VAT Online Project)
Economic Relations Division (ERD)
Ministry of Finance**

EOI No: 09.240.024.00.00.038.2015

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Procurement Package No: S-1

1. PROJECT BACKGROUND:

Ongoing revenue mobilization capacity stands out as one of the main development challenges in Bangladesh. The level of tax collection in Bangladesh was 10.52 percent of GDP in 2013, which showed an improvement in receipts: during 2004-2009 tax collection averaged 8.3 percent of GDP. Nonetheless, Bangladesh requires performing better comparing with some other countries in South Asia. Furthermore, Bangladesh has yet to sustain more improvement in tax collection, particularly in VAT. The present scenarios of revenue mobilization place Bangladesh at a distinct disadvantage over the medium term in terms of managing fiscal policy and having sufficient resources for infrastructure investments; and improving service delivery. At this level, tax revenue cannot provide a sufficient base of domestic revenue for Bangladesh to finance the investment in human and physical infrastructure required to alleviate poverty levels and propel Bangladesh to middle income country status by 2021, as is envisioned in the country's development strategy-the Sixth Five Year Plan 2011-16.

This relatively low revenue to GDP ratio is primarily due to inherent weaknesses in the Bangladeshi tax system. The main problems result from: (a) an inefficient tax administration due to a "type of tax" organizational structure, poor management, weak human resources and lack of skilled staff, poor support systems, scope for discretionary behavior, and poor physical infrastructure; (b) a narrow tax base due to the informal structure of the economy (there are around three million and seven hundred registered income taxpayers of which only half file tax returns; and just thirty-five thousand registered businesses that are paying VAT); (c) a skewed tax structure, with indirect taxes contributing the most; (d) a complex and non-transparent tax system; (e) corruption and tax evasion enabled in part by the relatively low compensation of tax officials; and (f) Preparation of reporting templates for each DLI.

In response to the challenges of low revenue mobilization, the National Board of Revenue (NBR) put forward a comprehensive Tax Modernization Plan (2011-2016), which recognized the critical need to increase tax revenue. As a centerpiece of the government's tax policy reform program, a new VAT Law was passed by the National Parliament in November 2012. The new VAT Law addresses many shortcomings of the 1991 VAT, and if properly implemented and effectively administered, it has the potential to increase the VAT tax yield and broaden the tax base. The new VAT Law brings in a modern VAT and significantly reduces the list of exemptions and contribute towards establishment of a modern and service oriented VAT administration.

2. OBJECTIVES OF THE PROJECT

The Government has approved a Development Project – the VAT Online Project in 2013 to ensure that a modern tax administration is in place to implement the new VAT Law when it comes into effect. The VAT Online Project 2014-2019 is being led by the VAT wing in the NBR and is critical component of the government's broader tax reform agenda as articulated in the Tax Modernization Plan. As part of their Tax Modernization Plan the program supports implementation of the new VAT law, and it is a central reform under the GoB's Program with the International Monetary Fund (IMF) under the three year Extended Credit Facility (ECF).

The Government's program is supported by financial assistance from the World Bank. The Bank's financing instrument is a Program for Results (PFR) operation of US\$60 million referred to as the VAT Improvement Program (which is financing the VAT Online project) 2014-2020. **The program development objective is to improve revenue mobilization and transparency in the VAT administration.** Expected results are to be measured using the following indicators:

- ***Increased VAT revenues:*** VAT revenues collected as a percentage of GDP

- **Greater transparency:** Compliance with availability of information listed in the Right to Information Act (RTI) rules and regulations.

The World Bank financing is under a Program for Results operation. The PfR is a new lending instrument which strengthens government ownership and use of country systems, while focusing the attention on the results rather than the process. One hundred percent of the Bank's financing is provided according to the achievement of Disbursement Linked Indicators (DLIs) of results as agreed in the Financing Agreement. The Financing Agreement also contains several Program Action Plan (PAP) items, which are also required to be independently verified. These items constitute key mitigating measures of potential risks and adverse impacts.

3 RATIONALE OF THE PROJECT

In order to support the VAT Online Project, the Bank's financing focuses on the actual results, both in terms of successful completion of project milestones, and in terms of outputs such as increasing the number of registered taxpayers. The Disbursement-linked Indicators are described in the Financing Agreement and the Project Appraisal Document (PAD) and are provided as an Annex to this Section. The program will disburse against achievement of DLIs which have been independently verified as having been achieved. The NBR will be responsible for ensuring that the DLIs are achieved and for preparing the monitoring reports and evidence twice a year on progress against DLIs, and sending these monitoring reports to the Economic Relations Division of the Ministry of Finance.

Given the emphasis on disbursing against DLIs, there is a need for a verification protocol for determining whether or not DLIs have been achieved. The verification protocol is broadly described in the Project Appraisal Document. The verification protocol requires the services of a professional firm to undertake an independent verification of the DLIs and prepare a report for the Government of Bangladesh and the World Bank. This TOR is for the Economic Relations Division (ERD) of the Ministry of Finance to contract an independent third party consultant firm for the verification of all DLIs, selected Program Action Plan items and Project Development Objective of Proactive Disclosure. The firm will deliver the DLI results verification report simultaneously to the World Bank, the NBR and the ERD. It is anticipated that the results verification assessments will take place at least once (and at most twice) a year. On the basis of the verification reports, the World Bank will determine whether or not the DLI has been achieved and will disburse the associated amount as per the Financing Agreement.

The ERD is responsible for overall reporting to the World Bank on the program results and performance of the results framework and DLIs. The NBR will be responsible for implementing the project including the Program Action Plan actions, monitoring the results and measuring the progress toward DLIs, preparing the 6 monthly monitoring reports on progress against results; and delivering these reports to the ERD and the World Bank. The ERD is responsible for hiring the independent verification firm and ensuring the twice-yearly verification of the disbursement linked indicators to the end of the program and reports are delivered to the Bank, NBR and ERD simultaneously. The NBR will monitor the DLIs and furnish all necessary supplementary information to the independent verification entity during their mission. Twice a year will be required for the verification of DLIs so that there can be timely observation of progress toward DLIs. DLIs may be process indicators (milestones), or statistical (percentages) or data (actual) measures. Disbursements may be pass/fail if the indicator is achieved or not; or scalable depending on the extent of performance of the DLI. The methodology for verifying the DLIs and PAP items should be proposed by the firm in bidding for the assignment.

4. OBJECTIVE OF THIS ASSIGNMENT:

The objective of the assignment is:

- To review monitoring reports from NBR and to independently measure the DLIs of the VAT Improvement Program/ VAT Online Project.
- To prepare templates for each of DLIs so that NBR can report on achieving the DLIs using the templates.
- To provide an independent assessment and verification of the DLIs and determine whether they have been achieved, the firm should propose the methodology for conducting the independent verification of each DLIs, and PAP actions outlined in the ToR, to be agreed with both ERD and WB.
- To assess whether certain Program Action Plan items have been complied with.
- To provide a half-yearly report with the measurement and verification assessment of the DLIs to ERD, NBR and the World Bank and assessment of the Program Action Plan actions.
- To measure the PDO indicator on compliance with the availability of the information listed in the RTI rules and regulations

5. SCOPE OF WORK:

The Independent Verification Professional Services firm will be hired by ERD to

5.1 To review monitoring reports and independently measure the DLIs and the PAP actions

- Before each assessment mission, the ERD will send to the firm, all of the relevant documentation. This will include the NBR monitoring reports (at least half-yearly), minutes of the Project Steering Committee meetings (at least half-yearly), the project financial statements and audit reports.
- The firm will review the documentation and provide a list of information requests and questions to be sent to ERD. ERD will propose a mission schedule for the firm and arrange the meetings.
- Detailed terms of reference for the conduct of each verification mission should be prepared by the firm, and approved by the ERD and the World Bank.
- The firm will conduct a verification mission (staffed with international and local experts as required) at least once a year (at most twice a year) to measure the DLIs and determine the accuracy of the reports. The missions are expected to be at least 2 weeks in duration and the timing to be agreed with ERD and the World Bank in advance.
- The firm will provide an independent measure of the DLIs and PAP actions, by reviewing the reports provided by NBR, analyzing the data from the IVAS system, reviewing compliance with official rules and protocols, undertaking stakeholder interviews and surveys as required.

5.2 To provide independent assessment and verification of the DLIs and PAP actions

- Using an agreed methodology with the World Bank and the ERD, the firm will assess and verify whether the DLIs have been achieved as per the verification protocol of the Project Appraisal Document; on the basis of the work done in Section 4, bullet point 1 to measure the DLIs.
- Documenting the methodology and criteria the independent assessment will verify whether or not, and to what extent, the DLI and PAP actions have been achieved.
- Review evidence to identify critical issues of concern and red flags and will include in the report any recommendations to the World Bank, ERD and NBR for corrective measures.

- Review the Program Action Plan items and report on compliance with the actions as per the Project Appraisal Document and Financing Agreement.

5.3 To provide required reports to ERD, NBR and the World Bank

- Provide reports on the findings which provide the details of the measurement and assessment and conclusions of the achievement of DLIs and PAP actions, consistent with the Project Appraisal Document and Financing Agreement.
- Provide the report simultaneously to the World Bank, NBR, and ERD in draft, and request clarifications and report factual errors.
- Respond to any questions of clarification or clarity from either party and finalize the report in a timely manner (within one month of providing the feedback on the draft) and provide final conclusion on whether the DLIs have been achieved.
- Propose constructive advice and corrective measures/actions for the successful achievement of DLIs as necessary.
- The firm shall provide recommendations to improve the progress towards the Project Development Objectives and/or progress to attaining the DLIs by NBR.
- The firm shall provide recommendations on how to improve the quality of the NBR's monitoring reports and measurement of DLIs and PAP actions.

6. EXPECTED OUTPUTS AND DELIVERABLES

The consultant is expected to deliver the following outputs under this ToR:

Indicative Milestone	
Output 1	Inception Report
Output 2	Result Verification Reports –in total 9 (2 per year, 6 months apart)
Output 3	One Final Report on lesson learned and recommendations

7. DURATION OF CONTRACT:

The duration of the Contract will be 52 (Fifty Two) months, or earlier depending on the completion of all DLIs.

8. TEAM COMPOSITION AND IMPLEMENTATION STRATEGY

The firm may propose a team composition and should plan the implementation strategy including time schedule and the use of resources to best accomplish the objectives of the assignment. The staffing schedule of the key professional staff should be spread over the assignment duration. For better understanding of the project implementation time frame, the consultant may download relevant project documents from

http://nbr.gov.bd/Project_page.php?lan=eng&id=12 and <http://www.worldbank.org/projects/P129770?lang=en>

9. TEAM COMPOSITION & QUALIFICATION REQUIREMENTS FOR THE KEY PROFESSIONALS

The Key Professionals of the indicative PMC Team are given in **Table 1** below:

Table 1: Summary of Key Professionals Estimated Inputs

Sl. No	Positions	Estimated Staff-months	Remarks
International			
(a)	Project Manager/Team Leader	20	Spread-over 52months
(b)	Functional Experts		
(i)	Functional Expert (Procurement Compliance DLI 1.1.1, 1.2.1, 1.2.2, 6.1.1, 6.2.1 and 6.3.1 PAP4 and6)	10	Spread-over 36 months
(ii)	Functional expert (Tax DLI 1.1.2, 1.1.3, 1.1.4, 1.2.3, 1.2.4, 2.1, 2.2, 3.1, 3.2, 4.1, 4.2 PAP 1 and 25)	40	Spread-over 52months
(iii)	Functional Expert (Transparency/RTI DLI 5.1, 5.2 and 5.3, PAP 7, 8 and 9, PDO indicator)	10	Spread-over 52months
(iv)	Functional Expert (Accounting and Auditing DLI 6.2.1, 6.2.2 and 6.2.3, 6.3.1, 6.3.2 PAP 5,7,9)	10	Spread-over 52months
(c)	Results Monitoring and Measurement Expert	20	Spread-over 52 months
Sub-total International		110	
Local			
(a)	RTI expert	15	Spread-over 52 months
(b)	Interpreter	35	Spread-over 52 months
(c)	Local Procurement Expert	20	Spread-over 52 months
(d)	Local ICT Expert	20	Spread-over 52 months
Sub-total Local		90	
Total (International + local)		200	

The detailed indicative tasks and responsibilities including the qualifications of the individual experts are given in the following paragraphs:

Qualifications of International Experts

(a) Project Manager/Team Leader (1 p x 20 staff-months)

Management of at least two successful large scale results monitoring projects; preferably in the public sector. Management and supervision of team members. Preference will be given to candidates with tax administration system modernization and automation experience.

Detailed tasks to include:

In addition to the general scope of work, the Team Leader is required to:

- Team management and oversight
- Establish the project implementation plan and monitor;
- Provide general advice, assistance on, review of, and supervision of activities and agree on verification protocol;
- Prepare draft and final result verification reports;
- Prepare templates for reporting each of DLI;
- Facilitate communication with ERD, NBR (and the Project Management Consultancy Firm) and World Bank;
- Coordinate with all team members to ensure successful and timely completion of result verification reports;
- Ensure that ToR for each mission is agreed with ERD and World Bank.
- Ensure that all documentation for the purposes of verifying the Disbursement Linked Indicators is reviewed and assessed in a timely manner, on a twice a year basis, for the smooth disbursement of the World Bank Program for Results funding.

Qualifications and Experience

Team Leader should:

Technical:

- Hold an internationally recognized Master's degree such as an MBA/MA or MSc in a relevant discipline;
- Managed at least two successful large-scale results monitoring projects.
- Have at least 15 years of professional experience in consultancy projects, with experience in developing countries; knowledge and experience in the South Asia region especially Bangladesh is desirable;
- Have at least 8 years of professional experience in project management with public sector clients.
- Working as technical expert or Team Leader in at least 2 projects having similar objectives as defined herein.
- Have good knowledge of donor-financed projects and, preferably, of World Bank financed projects.
- Preference will be given to candidates with comprehensive VAT or Tax system

implementation experience.

Other

- **Written and Verbal Communication:** Demonstrates a strong command of all forms of communication and delivers messages in a consistently effective, timely and engaging manner. Excellent English writing and oral communication skills are required;
- **Client Orientation:** Translates insight into practice across disciplines, hierarchies, geographies and organizational units in service of clients.
- **Drive for Results:** Ensures successful implementation and delivery of key activities ensuring that outputs positively impact results.
- **Teamwork (Collaboration) and Inclusion:** Creates a team climate of practical and innovative action, facilitating collaboration between competing interests and stakeholders. Outstanding interpersonal skills, track record of working effectively in a multicultural team environment with staff at all levels.
- **Knowledge, Learning and Communication:** Demonstrates command of all forms of communication and presents in a clear, objective and engaging manner in high-level settings; ensures knowledge is captured and shared in a variety of ways.
- **Knowledge and Experience in Development Arena:** Influences the design and execution of major policy and/or research initiatives; conceives and promotes innovations in development policies
- **Proactiveness:** The Team Leader should be proactive in nature. He/she has to submit a work plan that demonstrates his/her proactiveness.

(b) Functional Experts

**(i) Functional Expert (Procurement)
(1p x 10 staff-months)**

Detailed Tasks to include:

- Lead the review monitoring reports for DLIs 1.1.1; 1.2.1, 1.2.2; and 6.1.1, 6.2.1, and 6.2.2; and Program Action Plan items 4 and 6.
- Contribute to the review of PAP 7.
- Propose methodology for verification mission, suggest meetings required, and documents to be shared in advance of mission.
- Undertake mission to Bangladesh as required for the stakeholder discussions, interviews and verification of results verification reports.
- Draft report with proposed DLI measurement and assessment of achievements.
- Respond to comments received from the World Bank, NBR and ERD within 2 weeks and finalize the draft report.

Qualifications and Experience

- Hold a recognized university degree preferably at Masters level.
- Have at least 10 years of professional experience in procurement in international public sector projects;

- Have at least 5 years proven experience in ICT procurements.
- Have demonstrated, in-depth knowledge of procurement legislation and good public procurement practice.
- Excellent English writing and oral communication skills are required.

**(ii) Functional Expert (Tax Administration-core tax management functions)
(1p x 40 staff-months)**

Detailed Tasks to include:

- Lead the review monitoring reports for DLI 1.1.2, 1.1.3, 1.1.4, 1.2.3, 1.2.4, 2.1, 2.2, 3.1, 3.2, 4.1, 4.2 and PAP 1 and 2)
- Contribute to the review of PAP 1 and 2.
- Propose methodology for verification mission, suggest meetings required, documents to be shared in advance of mission.
- Undertake mission to Bangladesh as required for the stakeholder discussions, interviews and verification of monitoring reports.
- Draft results verification reports with proposed DLI measurement and assessment of achievements.
- Draft results verification reports with proposed PAP measurement and assessment of achievements.
- Respond to comments received from the World Bank, NBR and ERD within 2 weeks and finalize the draft report.

Qualifications and Experience

- Advanced degree at Masters level in tax policy and administration and economics or similar field;
- At least 10 years of professional relevant experience working on tax policy and administration in the context of developing agencies/ and or other organizations including governments; experience on donor funded tax administration modernization and automation projects in developing countries is desirable.
- Demonstrated experience in leading policy dialogue on tax policy and administration issues with high level government officials;
- Demonstrated, in-depth knowledge of core tax functional areas, i.e. registration, return processing; revenue accounting; revenue management; taxpayer current accounting; refunds and credit adjustments; enforcement including non-filing, debt management, audit, dispute to assessments; taxpayer inquiry, document certification and management.
- General governance and public sector knowledge and experience
- Demonstrate a strong command of all forms of communication and delivers messages in a consistently effective, timely and engaging manner.
- Excellent English writing and oral communication skills are required.

(iii) Functional Expert (Transparency/RTI)
(1p x 10staff-months)

Detailed Tasks to include:

- Lead the review monitoring reports for DLI 5.1, 5.2 and 5.3, PAP 7, 8 and 9 and PDO indicator on proactive disclosure;
- Propose methodology for verification mission, suggest meetings required, documents to be shared in advance of mission;
- Undertake mission to Bangladesh as required for the stakeholder discussions, interviews and verification of monitoring reports.
- Draft results verification reports with proposed DLI measurement and assessment of achievements.
- Respond to comments received from the World Bank, NBR and ERD within 2 weeks and finalize the draft report.

Qualifications and Experience

- Hold a recognized university degree preferably at a Masters level.
- Have at least 10 years of professional experience in international public sector projects related to transparency and good governance;
- Demonstrate a strong command of all forms of communication and delivers messages in a consistently effective, timely and engaging manner.
- Excellent English writing and oral communication skills are required.
- Preferably, have demonstrated, knowledge of the functional areas of tax administration.

(iv) Functional Expert (Accounting and Auditing)

(1p x 10staff-months)

Detailed Tasks to include:

- Lead the review monitoring reports for DLI 6.2.1, 6.2.2 and 6.2.3, 6.3.1, 6.3.2 PAP 5,7,9
- Propose methodology for verification mission, suggest meetings required, documents to be shared in advance of mission.
- Undertake mission to Bangladesh as required for the stakeholder discussions, interviews and verification of monitoring reports.
- Draft results verification report with proposed DLI measurement and assessment of achievements.
- Respond to comments received from the World Bank, NBR and ERD within 2 weeks and finalize the draft report.

Qualifications and Experience

- Hold a recognized university degree preferably at a Master's level.
- Have at least 10 years of professional experience in international public sector projects related to government accounting and auditing;

- Demonstrate a strong command of all forms of communication and delivers messages in a consistently effective, timely and engaging manner.
- Excellent English writing and oral communication skills are required.
- Preferably, have demonstrated, knowledge of the functional areas of tax administration.

**(b) Result Monitoring and Measurement expert)
(1p x 20staff-months)**

Detailed Tasks to include:

- Contribute to the Functional Experts in their Reviews.
- Assess and finalize all proposed methodology for verification missions, finalize meetings required, and requests for documents to be shared in advance of mission.
- Undertake mission to Bangladesh as required for the stakeholder discussions, interviews and verification of monitoring reports.
- Contribute to the draft results verification report with proposed DLI, PAP and PDO on proactive disclosure measurement and assessment of achievements.
- Respond to comments received from the World Bank, NBR and ERD within 2 weeks and finalize the draft report.

Qualifications and Experience

- Hold a recognized university degree preferably at a Masters level.
- Have at least 10 years of professional experience in international public sector projects related to results monitoring and evaluation.
- Demonstrate a strong command of all forms of communication and delivers messages in a consistently effective, timely and engaging manner.
- Excellent English writing and oral communication skills are required.
- Preferably, have demonstrated, knowledge of the functional areas of tax administration.

Local Consultants

**1. RTI Expert
(1p x 15 staff-months)**

Detailed Tasks to include:

- Assist the lead expert to review monitoring reports for DLI 5.1, 5.2 and 5.3, PAP 7, 8 and 9 and PDO indicator on proactive disclosure;
- Contribute to propose methodology for verification mission, suggest meetings required, documents to be shared in advance of mission;
- Work under mission in Bangladesh as required for the stakeholder discussions, interviews and verification of monitoring reports.
- Draft results verification reports with proposed DLI measurement and assessment of achievements.
- Respond to comments received from the World Bank, NBR and ERD within 2 weeks and finalize the draft report.

- Provide guidance and necessary recommendations under the leadership of lead expert in line with relevant local rules and regulations, if required.

Qualifications and Experience

- Hold a recognized university degree preferably at a Masters level.
- Have at least 05 years of professional experience in national public sector projects related to transparency and good governance;
- Should have excellent knowledge on local Acts, Rules and Regulations related to transparency, good governance and RTI.
- Demonstrate a strong command of all forms of communication and delivers messages in a consistently effective, timely and engaging manner.
- Excellent English writing and oral communication skills are required.
- Preferably, have demonstrated, knowledge of the functional areas of tax administration.

2. Interpreter

(1p x 35 staff-months)

Detailed Tasks to include:

- Assist the team of consultants to understand the legal terms and conditions set in different (Local languages) and the requirements of several stakeholders and vice versa;
- Make a bridge of communication between local and international experts as well as other stakeholders of the project to exchange their vision, thoughts and languages properly;
- Assist the whole team of consultants and others to communicate with local stakeholders in formal meetings, workshops and/or seminar held under the project;
- Assisting the preparation of formal reports on review monitoring regarding the issues of understanding;
- Any other activities relevant to the responsibilities of interpreter or required by the team.

Qualifications and Experience

- Hold a recognized university degree preferably at Masters level in languages or relevant subjects;
- English Language certification like IELTS (at least 6.0 overall with speaking 6.5) or TOEFL will be preferred;
- Have at least 03 years of professional experience as interpreter in donor funded projects or in any international agency or international language institutes;
- Have an excellent verbal communication skills in English and other languages, if required;
- Have demonstrated, in-depth knowledge of socio-cultural environment of Bangladesh.

3. Local Procurement Expert

(1p x 20 staff-months)

Detailed Tasks to include:

- Assist lead expert to review monitoring reports for DLIs 1.1.1; 1.2.1, 1.2.2; and 6.1.1, 6.2.1, and 6.2.2; and Program Action Plan items 4 and 6.

- Contribute to the review of PAP 7.
- Contribute to methodology for verification mission, suggest meetings required, and documents to be shared in advance of mission.
- Work under the mission in Bangladesh as required for the stakeholder discussions, interviews and verification of results verification reports.
- Draft report with proposed DLI measurement and assessment of achievements.
- Respond to comments received from the World Bank, NBR and ERD within 2 weeks and finalize the draft report.
- Provide guidance and necessary recommendations under the leadership of lead expert and with relevant rules and regulations applicable for local conditions.

Qualifications and Experience

- Hold a recognized university degree preferably at a Masters level;
- Have at least 05 years of professional experience in procurement in national public sector projects;
- Have at least 3 years proven experience in ICT procurements.
- Have demonstrated, in-depth knowledge of procurement legislation and good public procurement practice.
- Excellent English writing and oral communication skills are required.

4. Local ICT Expert (1p x 20 staff-months)

Detailed Tasks to include:

- Supporting the review monitoring reports, assessment and verification of DLIs and PAP actions related to ICT activities;
- Assisting functional experts to assess and verify the implementation of DLIs and PAP through collecting and checking necessary data and information for the implemented COTS in VAT online Project.
- Assisting the concerned experts to review, monitor and identify the fraud and corruption involved in complex ICT system;
- Help to propose the methodology and recommends improvement of the protection and security system of the implemented software from independent point of view;
- Assist to review the training and development system related to ICT applications and propose the suggestions of improvement;
- Provide any kind of expertise relevant to IT, especially software implementation, checking and verification of the related results for review and verification;
- Respond to comments received from World Bank, NBR and ERD related to ICT issues.

Qualifications and Experience

- Hold a recognized university IT degree, preferably at a Masters level;

- Have at least 05years' experience in working as technical expert on public sector ICT projects;
- Preference may be given to candidate with experience in Tax administration;
- Understanding of e-Governance strategy and application, experience in IT led Business Process Re-engineeringprojects;
- Have knowledge and experience in appropriate hardware and software solution applications especially in COTS software;
- Have good communication skills and drafting reports abilities;
- Demonstrate a strong command of all forms of communication and delivers messages in a consistently effective, timely and engaging manner.

10. CLIENT'S INPUT AND COUNTERPART PERSONNEL

(a) Services, facilities and property to be made available to the Consultant by the Client:

The consultants will have to bring their own laptops and other facilities like hiring office spaces, buying furniture and other supports, if required, will be negotiated.

(b) Professional and support counterpart personnel to be assigned by the Client to the Consultant's team:

One Complaint Monitoring and Evaluation Expert based in ERD.

(c) Client will provide the following inputs, project data and reports to facilitate preparation of the Verification Reports:

- i. Relevant project data and reports as available with NBR's HQ/field offices;
- ii. Relevant VAT and Supplementary Duty Management related data, as available;
- iii. Access to the NBR's Project Database and IVAS data;
- iv. Any other required information, as available

11. ADMINISTRATIVE & REPORTING:

The Consultancy firm will work under the guidance of the Project Coordinator at ERD. They will be responsible for undertaking DLIs, selected PAP actions and PDO on proactive disclosure verification and submitting reports simultaneously to the World Bank, the NBR and ERD and neither party (the Bank or the GoB) can modify such reports except for factual errors. For disbursement purposes, the Bank will then review the verification reports and retains the right to make the final decision as to whether DLIs have been achieved or not.

12. CONFIDENTIALITY STATEMENT

All data and information received for the purpose of this assignment are to be treated confidentially and are only to be used in connection with the execution of these Terms of Reference. All intellectual property rights arising from the execution of these Terms of Reference are assigned to GoB. The contents of written materials obtained and used in this

assignment may not be disclosed to any third parties without the expressed advance written authorisation of the GoB.

13. OWNERSHIP OF MATERIALS

Any deliverables under this assignment in any forms will be the property of GoB including any intellectual property developed under this assignment. All project deliverables called for by these Terms of Reference, in written, graphic, audio, visual, electronic or other forms shall acknowledge the support of GoB and World Bank. Such acknowledgement shall contain the GoB and World Bank logo. The GoB and World Bank logo should be included in all documents published and distributed. All events that take place in order to extract information, to validate the results, or to distribute the documents, should have a GoB and World Bank banner.

Annexes

Annex 1: Disbursement Linked Indicators

¹ If the DLI is linear this means that the financing is scalable and a greater/lesser disbursement will be triggered by a greater/lesser result.

Category	Disbursement Linked Indicator (DLI)	Disbursement Linked Result (DLR)	Amount of Financing Allocated to each Disbursement Linked Result (amounts expressed in SDR)	Amount of the Financing Allocated to each Category (expressed in SDR)	Proposed method of verification
1.	First DLI: VAT Implementation Plan stays on track	<p>DLR#1.1:</p> <p>1.1.1 Vendor has signed a contract providing the NBR with a configurable web-based COTS VAT acquired through a procurement process acceptable to the Association</p> <p>1.1.2 At least 40,000 active VAT taxpayers have been registered in the COTS VAT database</p> <p>1.1.3 At least 50,000 monthly VAT return applications have been processed by the VAT Wing for 6 consecutive months</p> <p>1.1.4 At least 500 auditors officials have been trained, under terms of reference acceptable to the Association, on COTS audit modules</p>	<p>[\$7,000,000 upon achievement in a given Fiscal Year of DLR #1.1.1]</p> <p>[\$4,000,000 upon achievement in a given Fiscal Year of DLR #1.1.2]</p> <p>[\$4,500,000 upon achievement in a given Fiscal Year of DLR #1.1.3]</p> <p>[\$1,000,000 upon achievement in a given Fiscal Year of DLR #1.1.4]</p>	[\$16,500,000]	ERD hires third party contractor who reviews and verifies reports, including all official public procurement documents; legal contract documents; data from the IVAS; training reports and assessments. Firm submits its draft verification report to the NBR, ERD and the World Bank simultaneously and neither party is allowed to modify the report apart from correcting factual errors. World Bank will seek comments from IMF and IFC. World Bank reviews and makes recommendation to Country Director.

		<p>DLR#1.2:</p> <p>1.2.1 Consultant has signed a contract providing the NBR with Program management services through a procurement process acceptable to the Association</p> <p>1.2.2 Administrative support contracts have been signed in a number and form acceptable to the Association providing administrative support to the NBR's (a) data center; (b) contact center; (c) processing center; and (d) IT infrastructure</p> <p>1.2.3 At least 50,000 monthly VAT payments have been processed by the VAT Wing for 6 consecutive months</p> <p>1.2.4 At least 80% of VAT refund applications have been processed and disposed of by the VAT Wing within 3 months</p>	<p>[\$5,000,000 upon achievement in a given Fiscal Year of DLR #1.2.1]</p> <p>[\$6,000,000 upon achievement in a given Fiscal Year of DLR #1.2.2]</p> <p>[\$4,500,000 upon achievement in a given Fiscal Year of DLR #1.2.3]</p> <p>[\$1,000,000 upon achievement in a given Fiscal Year of DLR #1.2.4]</p>	<p>[\$16,500,000]</p>	
2.	<p><u>Second DLI:</u></p> <p>Number of active registered VAT taxpayers</p>	<p>DLR#2.1:</p> <p>Baseline of active registered VAT taxpayers under VAT Law has been established ("Active Registered Baseline")</p>	<p>[\$1,000,000 upon achievement in a given Fiscal Year of DLR# 2.1]</p>	<p>[\$1,000,000]</p>	

		<p>DLR#2.2: Each 5,000 active registered VAT taxpayers above the Active Registered Baseline</p>	<p>[\$1,000,000 for each 5,000 upon achievement in a given Fiscal Year of DLR #2.2]</p>	<p>[\$6,000,000]</p>	
3.	<p>Third DLI: Number of active registered VAT taxpayers filing on-line</p>	<p>DLR#3.1: Baseline of active registered VAT taxpayers filing on-line under the VAT Law has been established (“On-line Filing Baseline”)</p> <p>DLR#3.2: Each 2,000 active registered VAT taxpayers filing on-line above the On-line Filing Baseline</p>	<p>[\$1,000,000 upon achievement in a given Fiscal Year of DLR# 3.1]</p> <p>[\$1,000,00 for each 2,000 upon achievement in a given Fiscal Year of DLR #3.2]</p>	<p>[\$1,000,000]</p> <p>[\$5,000,000]</p>	
4.	<p>Forth DLI: Number of percentage of active registered LTU VAT taxpayers paying on-line</p>	<p>DLR#4.1: Baseline of LTU VAT taxpayers paying on-line under the VAT Law has been established (“LTU Baseline”)</p> <p>DLR#4.2: Each 10 percentage points increase in the proportion of active registered LTU VAT taxpayers paying on-line above the LTU Baseline</p>	<p>[\$1,000,000 upon achievement in a given Fiscal Year of DLR# 4.1]</p> <p>[\$1,000,000 per each 10 percentage points upon achievement in a given Fiscal Year of DLR#4.2]</p>	<p>[\$1,000,000]</p> <p>[\$5,000,000]</p>	

5.	<p><u>Fifth DLI:</u> Greater Program transparency</p>	<p>DLR#5.1: The amount of VAT collected by NBR has been publicly disclosed on a quarterly basis at NBR's website</p> <p>DLR#5.2 A taxpayer satisfaction survey has been carried out under terms of reference acceptable to the Association and thereafter publicly disclosed</p> <p>DLR#5.3: A performance report of NBR's data center, contact center and processing center has been carried out under terms of reference acceptable to the Association and thereafter publicly disclosed at NBR's website</p>	<p>[\$500,000 upon achievement in a given Fiscal Year of two or more of the following DLRs#:DLRs#5.1, 5.2 and/or 5.3]</p>	<p>[\$3,000,000]</p>	
6.	<p><u>Sixth DLI:</u> Strengthening of Recipient's Program fiduciary capacity</p>	<p>DLR#6.1: 6.1.1 At least 25% of NBR's national competitive bidding contracts granted during the year concerned has been carried out through electronic government procurement ("e-GP")</p>	<p>[\$1,000,000 upon achievement of DLRs#6.1.1 and 6.1.2 in First Fiscal Year]</p>	<p>[\$1,000,000]</p>	

		<p>6.3.2 During the year concerned, a fund utilization report has been submitted to the Finance Division</p> <p>6.3.3. All audit observations considered significant by the Association have been resolved in a manner satisfactory to the Association within 6 months from the reception of annual audits reports</p>			
7.	Refinancing of Preparation Advance				[\$50,000]
	TOTAL AMOUNT				[\$60,000,000]

Annex 2 Program Action Plan Items

Technical Actions

1. By no later than June 30, 2016, the Recipient shall establish the Active Registered Baseline referred to in DLR#2.1, the On-line Filing Baseline referred to in DLR#3.1 and the LTU Baseline referred to in DLR#4.1 of the table set forth in Section IV.A.2 of Schedule 2 to the Financing Agreement in substance and manner acceptable to the Association.
2. The Recipient shall carry out, under terms of reference acceptable to the Association, the following independent taxpayer satisfaction surveys: (a) 2014 survey by no later than June 30, 2015; (b) 2016 survey by no later than June 30, 2017; and (c) 2018 survey by no later than June 30, 2019.

Fiduciary Actions

3. By no later than twelve (12) months after the Effective Date, the Recipient shall install, and thereafter maintain throughout the implementation of the Program, a fixed asset tracking software in the VAT Wing in order to record, track and manage assets procured under the Program, including the provision of training to VAT Wing staff in the use of such software.
4. By no later than one (1) month after the Effective Date, the Recipient shall form, and thereafter maintain throughout the implementation of the Program, a seven-member team evaluation committee, under terms of reference acceptable to the Association, responsible for high value (i.e. more than US\$ 2 million) IT procurements under the Program; such committee to be composed by at least one national expert and two international experts under terms of reference acceptable to the Association.
5. By no later than six (6) months after the Effective Date, the Recipient shall report, and thereafter continue reporting throughout the implementation of the Program, on key procurement indicators agreed with the Association using the Recipient's procurement monitoring systems acceptable to the Association.
6. By no later than three (3) months after the Effective Date, the Recipient shall: (a) appoint under terms of reference acceptable to the Association, and thereafter maintain throughout the implementation of the Program, a focal point within the ERD responsible for, *inter alia*, coordinating, monitoring and supporting the resolution of any Program monitoring and fund release issues, including the handling of complaints and financial irregularities; and (b) (i) start collecting and compiling into formats agreed with the Association, and thereafter continue collecting and compiling throughout the implementation of the Program, all Program fraud and corruption complaints; and (ii) submit, throughout the implementation of the Program, the aforementioned reports to the Association on a semi-annual basis.

Environmental and Social Actions

7. By no later than June 30, 2015, the Recipient shall: (a) carry out a training on e-waste handling to IT NBR staff; and (b) start, and thereafter maintain throughout the implementation of the Program, proper record keeping of equipment purchase, reused and auctioned.
8. By June 30, 2015, the Recipient shall set up the NBR's contact center, under terms of reference acceptable to the Association, responsible for, *inter alia*, properly running a complaint mechanism; such mechanism shall be available on NBR's website.

Government of the People's Republic of Bangladesh
Ministry of Finance
Economic Relations Division (ERD)
Support Implementation of the Revenue Mobilization Program for Results
Sher-e-Bangla Nagar, Dhaka-1207

Reference no.

Date: 12.05.2015

Request for Expressions of Interest (REOI) regarding hiring Consulting Firm
For
Independent Verification Consultant
(International Professional Services Firm)

The Government of Bangladesh has approved a Development Project – the VAT Online Project in 2013 to ensure that a modern tax administration is in place to implement the new VAT Law when it comes into effect. The VAT Online Project 2014-2019 is being led by the VAT wing in the NBR and is critical component of the government's broader tax reform agenda as articulated in the Tax Modernization Plan. The Government's program is supported by financial assistance from the World Bank (WB). The WB financing is under a Program for Results (PFR) operation. In order to support the VAT Online Project, the Bank's financing focuses on the actual results, both in terms of successful completion of project milestones, and in terms of outputs. The program will disburse against achievement of the DLIs as described in the Financing Agreement and the Project Appraisal Document, which have been independently verified as having been achieved. The NBR will be responsible for ensuring that the DLIs are achieved and for preparing the monitoring reports and evidence twice a year on progress against DLIs, and sending these monitoring reports to the Economic Relations Division (ERD) of the Ministry of Finance.

Given the emphasis on disbursing against DLIs, there is a need for a verification protocol for determining whether or not DLIs have been achieved. The verification protocol requires the services of a professional firm to undertake an independent verification of the DLIs and prepare a report for the Government of Bangladesh and the World Bank. ERD is responsible for overall reporting to the World Bank on the program results and performance of the results framework and DLIs. Hence, ERD is seeking to contract an independent third party consultant firm for the verification of all DLIs, selected Program Action Plan items and Project Development Objective of Proactive Disclosure.

The consultancy services ("The Services") include;

- a) To review monitoring reports from NBR and to independently measure the Disbursement Linked Indicators (DLIs) of the VAT Improvement Program/VAT Online Project;
- b) To provide an independent assessment and verification of the DLIs and determine whether they have been achieved;
- c) To propose and agree with the World Bank and ERD the methodology and timing for conducting the independent verification of each DLIs, and Program Action Plan (PAP) actions outlined in the ToR;
- d) To assess whether certain Program Action Plan items have been complied with;
- e) To provide a bi-annual report with the measurement and verification assessment of the DLIs and assessment of the PAP actions to ERD, NBR, and the WB;
- f) To measure the PDO indicator of Proactive Disclosure.

The duration of the services will be 52 (Fifty Two) months, or earlier depending on the completion of all DLIs. The firm shall provide a team of suitably qualified and experienced 'key personnel' to undertake the assignment.

The Economic Relations Division now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the said Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experiences to perform the Services. The short listing criteria are:

- a) Number of years of experience as a professional services consultancy firm (minimum 5 years; Consultants will submit registration papers to demonstrate this experience).
- b) The financial resources of the consultant (turnover of last three years; Consultants will submit audited financial reports to demonstrate its turnover.)
- c) The experiences of the firm in similar tasks/assignments (minimum two examples of past experience in similar nature and/or complexity including cost and duration of the assignment).
- d) Qualifications of team members (technical expertise of the key personnel both international and local).

Consultants may associate with other firms to enhance their qualifications and if associated, should mention whether the association is in the form of “joint venture” or “sub-consultancy”. The firm will be selected in accordance with the selection procedures based on *Quality and Cost-Based Selection (QCBS)* method set out in Public Procurement Rules-2008 of Bangladesh and the contract will be Lump-Sum based. The Terms of Reference of the above consultancy services is available in the office of undersigned along with Economic Relations Division’s website (www.erd.gov.bd) which will provide detailed scope of works and required qualifications and experiences.

Expressions of Interest (EOI) must be delivered in a written form to the address below (in person, or by mail, or by fax, or by e-mail). The last date for submission of EOI is **11 June 2015 by 02:00PM (BST)**. EOI shall be in a sealed envelope and be clearly marked ‘**EOI for Independent Verification Consultant**’. International applicants may send their EOI by e-mail at pcvatonlie.tech@gmail.com mentioning ‘**EOI for Independent Verification Consultant**’ as subject. Any application received after the deadline will not be considered for further proceedings. The procuring entity reserves the right to accept or reject all the EOI’s.

KaziShofiquAzam
Project Coordinator & Additional Secretary-2
Support Implementation of the Revenue Mobilization for Results:
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