



Tax Systems for Poverty Reduction: Tax Justice Network Component

Terms of Reference

1. Summary

In association with international and national partner organisations, Tax Justice Network (TJN) will implement a programme to raise awareness and activity amongst civil society actors regarding the role of taxation in promoting pro-poor growth, democratisation, financing public service provision and reducing social inequalities in developing countries. This programme is a component of the larger 'Tax Systems for Poverty Reduction' programme¹, through which DFID will also support the activities of the International Tax Dialogue and international learning events.

Taxation is unique in maintaining a direct bond between citizens and the state. By building awareness of this link, the programme aims to increase demand for an effective tax system from citizens and civil society in developing countries. The publications, educational materials and workshops included in this component will build on current TJN pilots in Eastern and Southern Africa, while broadening TJN engagement to cover more countries in Africa, the Middle East, South Asia and Latin America.

1.1 Overall Programme Goal:

The overall goal of the programme 'Tax Systems for Poverty Reduction' is to support developing countries to meet their commitment under the 'Monterrey Consensus'² to mobilise the domestic revenue needed to achieve the Millennium Development Goals (MDGs).

1.2 TJN Component Goal:

¹ The larger DFID programme 'Tax Systems for Poverty Reduction' includes support to the International Tax Dialogue, and to ad hoc international learning events over the course of the three year programme period. The three strands of activities will not be pursued in isolation but all opportunities for synergy will be taken.

² UN Financing for Development Conference agreement, 2002.

The goal of the TJN component of the programme is to ensure governments and revenue authorities are held to account for the tax systems they provide.

1.3 Component Outcome:

Civil society organisations in developing countries, such as business and taxpayer associations, acquire better skills, influence and networks relating to tax reform advocacy, and thus engage in more effective demands for tax reform.

1.4 Component Outputs:

- **Ten country briefing notes** (including Ghana, Kenya, Brazil and Bangladesh in Year 1). These notes will map out the range of tax justice issues to open up public debate in each pilot country.
- **Three civil society tax capacity building workshops** (Ghana, Kenya, and Brazil). These will focus on developing civil society awareness of the importance of fair and effective taxation for delivering development objectives. They also focus on building civil society capacity to engage effectively with government, business and taxpayers on these issues;
- **Six thematic tax education packs** aimed at educating the public about taxation. They will also act as tools for further network building among stakeholders including journalists, business associations, professional associations, trade unions, NGOs, and wider civil society. The following themes are proposed for the packs:
 1. Taxation as state-building
 2. Tax, democracy and accountability
 3. Illicit financial flows, public finance, domestic resources
 4. Taxation for SMEs and tackling informality
 5. Taxation for MNCs
 6. Taxation to encourage employment³
- **Three regionally focused guidance materials** (adapted from TJN's 'Tax Us If You Can' publication) to guide civil society on regional emerging taxation issues. They will provide a platform for engaging with regional stakeholders and intergovernmental bodies (e.g. African Union, ASEAN, Mercosur);
- **Six regional seminars** with an intent to interact with the relevant sub-regional co-operation organisations of the East African Community, South Asian Association for Regional Co-Operation (SAARC), Central American Common Market Community, Andean Community and the Economic Community of West African States (ECOWAS).

³ These titles of the thematic tax education packs are preliminary, as TJN will rely on input from the first year country pilots and second year regional seminars.

- **Three regional networks of tax advocacy organisations established and/or strengthened;** and
- **Further policy advice work** will emerge through capacity building targeting the networks involved the programme. TJN's role will be to enhance the policy advice work of the regional networks as they engage with this programme.

2. Background

2.1 Rationale

Broad-based tax systems play a crucial role in development. Tax policies with developmental aims may encompass at least four objectives (the four “R”s) of taxation: to raise revenues, redistribute income and wealth, reshape expenditure patterns and ensure representation. Effective and efficient tax systems are fundamental to raising the revenue required to meet the Millennium Development Goals. Widespread tax evasion erodes developing countries' public finances helping to keep them over-dependent on aid and debt financing.

Developing countries with small tax bases lack the ‘social contract’ between citizens and the government that is derived from payment of tax and the provision of public services. This lack of social contract further undermines tax compliance and broader governance institutions. Typically, large companies may secure exemptions, while small businesses may disappear into informality, leaving a ‘missing middle’ of medium sized enterprises which struggle to exist. Therefore, making tax systems more equitable will require tackling exemptions and building the capacity of the informal economy to meet tax obligations in return for more attention for their needs.

Much of civil society sees taxation as outside its realm of advocacy activities, while budgetary advocacy campaigns typically focus only on the expenditure side of the budget. The role and potential of civil society organisations in promoting effective tax systems is, therefore, under-explored and under exploited. In 2005 / 06 TJN conducted a series of consultations with potential civil society partners in a range of developing countries with a view to better understand their capability to engage in monitoring taxation policies, and to understand private and corporate tax practices.

These consultations confirmed that there is a strong demand from the non-state sector to develop a better understanding and stronger role in regard to taxation and development issues. Better awareness of the actual incidence of various tax reforms, and promotion of regional and international measures to tackle the culture of tax evasion will help civil society use the issue of taxation to strengthen state-building, and further the process of democratisation.

Civil society has a crucial role in the wider tax dialogue, as it can propose alternatives to government tax and budget policies, propose reshaping current regional and intergovernmental organisations that regulate tax matters, and demand more transparency from the private sector in meeting their tax obligations. Finally, civil society has a monitoring role in terms of the implementation of international agreements.

2.2 Approach:

TJN's planned approach is to engage with national and regional civil society in order to strengthen their capacity on tax issues. TJN will tap into existing research and advocacy networks in order to build on the experiences and methods that have already been found effective. While taxation will be a new approach for many civil society organisations it will complement campaigns such as the International Budget Project (IBP), Publish What You Pay (PWYP), and the work of Southern fiscal policy think tanks and organisations such as AFRODAD, LATINDAD, and Jubilee South. Within and through these partner networks TJN will identify partner organisations based on demonstrated and potential capacity on tax matters. TJN will then help establish these partner organisations as regional leaders in promoting a tax dialogue.

In the first year TJN will work in four pilot countries (Ghana, Kenya, Brazil and Bangladesh), in which TJN will map out country-specific tax profiles (including tax morale, levels of compliance and of tax expenditures, policy perspectives and civil society responses, and policy recommendations) at the national level. Findings will be published in country briefing notes. TJN will then hold capacity building workshops in three of these countries (Ghana, Kenya and Brazil⁴) with civil society networks. These four pilot countries are expected to become regional leaders in a wider tax dialogue, encouraging civil society organisations in other countries in the same region to engage in similar activities on the national level outside the framework of this programme. TJN will establish regional networks to take an advisory role on supporting ongoing and future national initiatives.

The four pilot countries have been selected on the basis of their established civil society networks, the state of the tax and development debate and their potential for regional leadership in this field. As well as being regional development leaders, Ghana and Kenya have established civil society networks already working with TJN on these issues. Bangladesh presents an interesting case study in South Asia having a very low taxpayer base which is partly stalling state-building efforts. Bangladesh has also an exceptionally high density of civil society initiatives, a mature micro-finance sector to build

⁴ Bangladesh will not have a year one workshop due to the time constraints in organising three consecutive country workshops in a short period of time. Instead we will have a regional workshop in Bangladesh early in the second year of the programme.

domestic savings, while public finances are low and the tax base very narrow. In Brazil, tax per GDP is high but skewed against the lower and middle-income groups. TJN can also build on its established network of contacts in this country.

The first country briefings will serve as a platform in the second year for initiating a regional tax dialogue involving regional integration organisations. The country workshops and regional seminars in years one and two are opportunities to seek input into the country and regional reports as well as to map out the themes of the tax educational packs. In year three the three regional seminars will focus more on offering conclusions for the project and ways of carrying forward collaboration.

The six thematic tax education packs will draw upon learning experiences within organisations and administrations. For instance, Kenyan civil society has been active in challenging illicit financial flows, while Bolivian think tanks have built programmes for public accountability involving young leaders. Therefore the educational packs will also draw from concrete examples in a range of countries, and focus on successful transformations, and best practices.

While the 2005 *Tax Us If You Can* (TUIYC) guide serves as a baseline for the three regional TUIYC publications, the process of writing these guides will involve significant rewriting and updating in light of the Doha Financing for Development process and other international developments. Furthermore, the three regional TUIYC reports will focus on the regional perceptions and practices of taxation, and the need to reflect the differing challenges opportunities and capacity levels in each region. Each guide will therefore be a unique publication reflecting the regional themes and adapted policy proposals that follow from them. The TUIYC reports will exploit and build upon the research capacity of regional networks. The time allocated to the TUIYC reports is longer to reflect the need to find out what themes emerge in each region as a result of broad consultations

TJN will disseminate all our materials through our existing networks of civil society partners, media contacts, professional organisations and academic departments. In each country TJN will work to establish professional and academic partners in addition to the civil society partner organisation to ensure wider dissemination of the materials to both existing and new audiences. Internet sites will play a major role by hosting the content of many of the publications.

- Globally TJN works with the International Budget Project (IBP), '*Publish What you Pay*' (PWYP), LATINDADD; AFRODADD, Jubilee South, Oxfam Novib, Caritas France, and Christian Aid to ensure the widest possible dissemination in civil society networks.
- In addition to the global networks, TJN will work through taxpayers associations, fiscal and economic policy think-tanks, microfinance

- organisations, other business associations, and academia to ensure wider dissemination of the materials to more diverse audiences.
- TJN consider the audiences to include policy experts, business people and development practitioners (specifically targeted by the Tax Us If You Can and country reports) as well as a much wider public including students, small-business owners and concerned taxpayers to whom the thematic educational materials will be addressed. While this division is generally followed in the language and presentation of the materials, TJN will also endeavour to make the country reports and TUIYC readable to wider publics by assuming a lower degree of technical knowledge, and the publications will be written accordingly.

2.3 Tax Justice Network

The Tax Justice Network (TJN) was founded as an international not-for-profit association, with its international secretariat based in London in 2003, and has proved effective in raising international and civil society concern for tax issues in development. The TJN has successfully created a reputable, broad-based and effective global coalition of academic economists, financial professionals, highly regarded development NGOs, journalists and other representatives of civil society in the North and the South with a shared interest in matters relating to taxation and development. The TJN has argued effectively for international good practice on taxation including greater transparency and cooperation on tax issues internationally, fair and equitable tax systems, and tax compliance. The TJN also supports innovative research such as a new cross-country Index to measure tax burdens, the progressivity of tax systems and the effective income base for direct taxation. TJN's ambition is to help civil society match, on the revenue side, the significant progress made in recent years on civil society monitoring of public expenditure.

The TJN is the leading international civil society organisation raising awareness of the role of taxation in promoting pro-poor growth, democratisation, financing public service provision and reducing social inequalities. Its publications, educational materials and workshops included in this programme will cover developing countries in Africa, South-East Asia and Latin America. It has already proved itself successful, with its results including well regarded publications, highly evaluated civil society workshops in developing countries, and a well used website resource. It has successfully established effective links with the media, key persons in the public realm, civil society organisations, business organisations and academia. Its civil society partners include significant and effective institutions such as the International Budget Project, Oxfam, Christian Aid, the New Rules for Global Finance, and Catholiques Contre le Faim et Pour le Développement. These partners will be contributing just over 50% of the programme budget (£153,000 spread over the 3 years – as £37,000, £54,000 and £62,000 - with DFID contributing £150,000 over the 3 years).

Since its founding in 2007, TJN's African network (Tax Justice for Africa) has piloted a series of public workshops and seminars aimed at a variety of civil society actors, including public officials, financial professionals, NGOs, researchers and journalists.

2.4 TJN's planned implementing partners for the project:

In Brazil TJN will work together with two partners. First, the Faculty of Law at the FGV (Getulio Vargas Foundation – Fundação Getulio Vargas) in São Paulo, with whom TJN will be organising the country workshop in year one and who will feed into the process of establishing a research network. Second, IBASE (Brazilian Institute for Social and Economic Analysis) a non-profit making organisation based in Rio de Janeiro. They have a proven track record in working with social responsibility issues (issuing reporting guidelines for large corporations) and in particular highlighting transparency issues in the Brazilian mining sector.

In Bangladesh TJN will work with several partners to ensure access both to the civil society networks, business organisations and academia. TJN are currently in discussion with Caritas Bangladesh, and Action Aid Bangladesh to develop contacts and seek further knowledge of the civil society sector in Bangladesh. TJN will engage with fiscal policy and budget advocacy organisations such as Unnayan Shamannay and Centre for Policy Dialogue for policy advice work. Also, TJN will work with the Department of Development Studies at the University of Dhaka to advance the research agenda included in the Tax Us If You Can Southern Asian edition.

TJN's main partner in Ghana will be the Integrated Social Development Centre (ISODEC) who have worked together with the International Budget Project for the past few years. ISODEC has been a member of our African steering committee ever since the founding of the Tax Justice for Africa in January 2007. TJN will continue working with them to further develop their fiscal policy monitoring work. ISODEC will be the host of the Ghana country workshop that will be organised in partnership with Oxfam Novib and their West Africa regional team. In the national context TJN are establishing links with the Ghana Institute for Management and Public Administration (GIMPA), who are the key civil service training college in Ghana, while also having close links with business community through their MBA programmes.

In Kenya, TJN's African secretariat will provide a key co-ordination role in terms of organising the Kenya country workshop and establishing links in the wider civil society to raise awareness of how tax issues relate to development. Secondly, the National Taxpayers Association have expressed interest in working with TJN in developing revenue monitoring activities alongside the expenditure monitoring that they already conduct. Finally, the Department of Sociology at the University of Nairobi has expressed their interest to continue working with TJN following the successful research seminar that they helped co-organise in 2007. Their involvement will be key in ensuring the

participation of the research community in issues related to taxation, and to disseminate research findings in relevant networks of the African research community.

3. Implementation

3.1 Activities:

Overview:

The project will span 30 months over three DFID financial years: 2008/09 (October⁵ to March), 2009/10, 2010/11.

In its first year to March 31st 2009, the project will conduct activities within four pilot countries (Ghana, Kenya, Brazil and Bangladesh), including country workshops and the publication of country briefings. In project years 2 and 3, these country pilots will be expanded into regional network nodes. These networks will extend the existing African networks of multi-stakeholder tax forums, tax research and tax awareness in the public realm.

The key activities of this project are to build advocacy tools, briefings and educational packs for various needs in different languages. TJN will undertake regional workshops, network building, production and dissemination of learning materials and guidelines, and other activities to enable civil society groups such as business and taxpayer associations in developing countries to engage with and influence government and revenue authorities. It will also promote civil society's role in regional aspects of taxation, producing guidance material on engaging with regional stakeholders and intergovernmental bodies. TJN will also develop regional networks of tax advocacy organisations; and provide high quality policy advice to partner organisations.

3.2. Outputs

Country Briefing Notes. These country briefing notes will be approximately 25 pages long containing six main sections:

- 1) Analysis of the political economy of taxation, including reviews of tax morale and tax payer perceptions that influence compliance;
- 2) Analysis of the nominal tax rates and size of the informal economy;
- 3) Analysis of the tax incidence in the country (Plato Index data, inequality measures, capital flight, trade mispricing);
- 4) Case studies concerning tax incentive structures, comparisons between FDI and domestic resources in terms of quality and quantity of flows;

⁵ Estimate - this component will start on completion of the administration arrangements.

- 5) Initiatives and linkages that already exist within policy-making and civil society work regarding governance and budget advocacy, case studies of national tax payers associations;
- 6) Proposals for further tax advocacy work in specific areas of policy and public awareness, which may yield best results in terms of effectiveness and equity of tax systems.

These 10 country briefings (4 in the first year and 6 in the third year) will primarily be delivered through regional websites of which the African website will be redesigned (from the already existing platform) in year one, while the Latin American and South Asian websites will be launched in year two. While regional websites are prepared, the TJN global website will have an easy access link to country briefings in the relevant national language. These briefings will be prepared in English and translated to the relevant national languages. The print run will be decided according to local partner organisation needs, approximately 500 to 1000 copies both in English and the national language.

Civil Society Capacity Building Workshops. These workshops will be organised in the pilot countries following the lessons learned from previous workshops in order to create close links with relevant civil society actors in initiating a tax dialogue in the country concerned. They will generally be organised while the country briefings are at a draft form in order to include input from these workshops. Key players in civil society will attend a two-day workshop where key issues of the country reports are discussed, as well as further activities planned for the following years. These workshops will lead to the establishment of a regional network node.

Thematic Tax Educational Packs. These packs will be the key to disseminating and raising awareness of the role of taxation in poverty reduction and state-building. The six themes will be broad (as mentioned above) giving different organisations diverse entry points into the tax dialogue. TJN envisage the end users of these packs to be trade unions, journalists, students, NGOs, other professionals, business associations and government officials. These packs have the element of popularising the debate, and by using both regional websites and audio content, they will disseminate the information in adaptable formats for the diverse public.

The packs will be about 20 pages in length, and will be made available on global and regional websites. A print run of approximately 1000 copies will be made for each, in each project language (English, Spanish, Portuguese, French). These printed packs will be in an accessible format including examples and case studies. An attached CD-ROM will contain template power point presentations and audio content talking through the key issues in pod-casts in all four languages. The packs will be developed in line with regional best practices in popular education pursuits, and are designed to be adaptable across different countries and regions. Most of the packs will be

distributed upon request, while partner organisations will also disseminate packs to their constituencies.

Regional Tax Seminars. These regional seminars will be conducted in years 2 and 3 by which time TJN will have already gained the experience of the first four pilot countries and thus established a set of regional leaders in the tax dialogue who can then push the debate forward as a group to the regional level. The regional seminars will also seek to engage regional integration organisations in the sub-regions of East Africa, West Africa, Central America and the Andean Countries. Sub-regional integration often takes primacy over continental regional integration bodies in designing tax and customs policies. Therefore, the regional seminars will have the purpose of initiating the regional networks, establishing contacts and dialogue with the regional co-operation organisations on tax matters, and also disseminating and discussing the *Tax Us If You Can* publications. The year 3 regional networks will evaluate the project and plan further steps in tax advocacy work.

Policy Advice Work. TJN will establish and support policy advice work between civil society and governments, including the regional co-operation organisations. The regional tax seminars will aim to establish sustained dialogue between civil society organisations and both governments and regional co-operation organisations. In advancing these goals TJN may organise further policy follow-up roundtables and dialogues, and build the capacities of the regional network nodes and corresponding governance structures for effective advocacy work. TJN will also aim to identify entry points in each region that would allow for regional tax advocacy initiatives and strengthening regional tax co-operation.

'Tax Us If You Can' guides. TJN's 2005 publication is a broad-based guide to taxation, derived from TJN research activities. It will be substantially revised and adapted to strengthen research work in the regional networks. International and regional developments since 2005 have meant that TJN will need to update the entire guide for the regional publications. Furthermore, debates concerning taxation vary between the regions, and therefore both the causes of tax injustices and solutions will differ quite significantly. Essentially only the first part of the publication, which outlines the basic philosophy issues behind taxation, will be similar in each guide, while the rest is adapted to regional contexts.

The current sub-headings are listed below, but these may change in the course of the project to reflect regional perspectives. The publication has five parts⁶:

- 1) Overview of taxation: it's links to state-building and reducing inequalities and eradicating poverty;

⁶ Richard Murphy is responsible for the "Tax Us if You Can" publications. He directs TJN's research activities and will be involved in all of the TUIYC regional publications from the start, in collaboration with the pilot countries and regional networks.

- 2) Causes of tax injustice: regressive tax policies, importance of broad-based tax systems, tax administrations;
- 3) Tax intermediaries: offshore financial centres as professional circles, tax havens as secrecy jurisdictions, systemic risks associated with low-tax and light-touch regulation;
- 4) Agencies addressing global and regional tax issues: government legal environments, regional co-operation organisations, the United Nations, global civil society;
- 5) Towards tax justice: corporate responsibility, international tax co-operation, automated information exchange treaties, country-by-country reporting standards, role of citizens as watchdogs of taxation (revenues and expenditures), building an enabling environment for tax systems in developing countries.

The *Tax Us If You Can* guides are the single largest undertaking during this project. This is also the reason why work is planned out over a longer period of time, reflecting the time needed to engage with the regional research committees and draw lessons from the pilot country workshops, and regional seminars. It will be disseminated to partners and participants of various workshops, and distributed among the participating member organisations so they can conduct the dissemination through their member activities. TUIYC publications will be prepared in English in each case and translated into the relevant regional languages with further financial assistance from regionally-based partner organisations, and European partner organisations in Spain, Portugal and France who can also carry out translation work.

Regional tax advocacy networks developed. Following from the policy advice work and regional seminars TJN envisage the establishment of regional tax advocacy networks. Following the lead taken by the Tax Justice for Africa Network in 2007, TJN plans the establishment of both Latin American and Southern Asian tax advocacy networks during the project timeframe, with regional co-ordination facilities in place. This regional network building is a key element towards the sustainability of advocacy and policy work after the project timeline is finished. A key part of this work will be to integrate tax issues as central parts of already existing tax payer associations, Transparency International national networks, *'Publish What You Pay'* chapters, business associations and other networks.

3.3. Programme Schedule

The following indicative chart outlines the timing of the major activities and outputs :

Year 1									
Activity / Month	Kenya Workshop	Brazil Workshop	Ghana Workshop	Kenya Country Briefing	Brazil Country Briefing	Bangladesh Country Briefing	Ghana Country Briefing	TUIYC Africa Ed.	
October									
November									
December									
January									
February									
March									

Year 2									
Activity / Month	Africa Regional Seminar (Tanzania)	South Asian Regional Seminar (Bangladesh)	Latin American Regional Seminar (Mexico)	TUIYC Latin American Edition	TUIYC Southern Asian Edition	Tax Education Packs 1,2,3			
April									
May									
June									
July									
August									
September									
October									
November									
December									
January									
February									
March									

Year 3

Activity / Month	Bolivia Country Briefing	Mexico Country Briefing	Cameroon Country Briefing	Lesotho Country Briefing	Sri Lanka Country Briefing	India Country Briefing	Tax Education Packs 4,5,6	Latin American Regional Seminar	Southern Asian Regional Seminar	Africa Regional Seminar
April										
May										
June										
July										
August										
September										
October										
November										
December										
January										
February										
March										

3.4 Budget:

The total cost of the programme proposed here is £290,500. DFID's support for this work is £150,000 in total; £50k per financial year over a three-year period.

In Year 1 TJN have guarantees from Christian Aid to fund the Tax Us If You Can guide and to support the workshop in Latin America.

For the Year 2 budget TJN already have guarantees for Latin American regional workshop funding from the Global Financial Integrity Programme (USA) and African regional workshop funding from Norwegian Church Aid. TJN are seeking additional funding early on for the remaining funding gaps from Swiss Development Corporation, GTZ and Oxfam Novib.

The budget is indicative, and the numbers may change, especially regarding the sourcing of other donor funding and its allocation across the budget. Any significant changes will be discussed and agreed with DFID.

Year 1: from October 1st to March 31st 2009

Expense category	Total (£)	DFID contribution	Other donors
Workshops in Kenya, Ghana & Brazil	20,000 ¹	10,000	10,000
Coordination - salary of 2/3 time coordinator for 6 months	12,500 ²	12,500	0
Travel expenses	2,000	2,000	0
4 Country briefings	32,000 ³	21,500	10,500
"Tax Us if You Can" for Africa Edition	8,000 ³	4,000	4,000
Total	74,500	50,000	24,500

Year 2: April 1st 2009 - March 31st 2010

Expense category	Total (£)	DFID contribution	Other donors
Seminars in Latin America, Southern Asia and African regions	20,000 ¹	10,000	10,000
Coordination - salary of ½ time coordinator for 12 months	18,000 ²	18,000	0
Travel expenses	2,000	2,000	0
3 Thematic tax education packs	24,000 ³	6,000	18,000

Regional policy guidance work	24,000 ⁴	6,000	18,000
“Tax Us if You Can” for Southern Asia	8,000 ³	4,000	4,000
“Tax Us if You Can” for Latin America	8,000 ³	4,000	4,000
Total	104,000	50,000	54,000

Year 3: April 1st 2010 to March 31st 2011

Expense category	Total (£)	DFID contribution	Other donors
3 Regional Seminars	20,000 ¹	10,000	10,000
Coordination - salary of ½ time coordinator for 12 months	18,000 ²	18,000	0
Travel expenses	2,000	2,000	0
3 Thematic tax education packs	24,000 ³	8,000	16,000
6 Country briefings	48,000 ³	12,000	36,000
Total	112,000	50,000	62,000

¹ DFID’s contribution to this is expected to be 10,000 while the other half will be sought from alternative funding resources.

²The co-ordinator’s (Matti Kohonen’s) salary is proposed to be fully contributed from DFID to provide a secure 3-year salary for the co-ordinator. Of the 2/3 basis salary 5,000 will go towards pensions and employer contributions, and of the 1/2 salary 3,000 towards these additional non-salary expenses. John Christensen and Alvin Mosioma are already employed for through existing funds.

³The printed educational materials, on-line educational tools, and country briefings include both a research element (costed at £4000) and an editing and publication cost (at £4000).

⁴The regional policy guidance work may contribute towards the establishment of regional network co-ordination facilities that at the moment do not exist in Latin America and Southern Asia. Also in establishing links between governments and civil society in this topic TJN consider further policy roundtables, establishing regional expert panels and ensuring proper communication links with newsletters and co-ordinated network activities. Many of these aspects are already under way within our African regional secretariat.

3.5 Management Arrangements:

TJN will be managed through an Accountable Grant between DFID and the TJN.

The TJN component will be managed by the head of the TJN International Secretariat (John Christensen, a former economic policy adviser to various UK government departments, including HM Treasury, the Foreign and Commonwealth Office, and to the Government of Jersey). The head of the

TJN International Secretariat will be responsible for delivering to DFID six-monthly progress reports, and annual statement of accounts, and will consult with DFID on alterations to programme implementation. DFID will meet the head of TJN's International Secretariat on a six-monthly basis to monitor progress. TJN will hire a programme co-ordinator for the duration of the programme.

3.5 Reporting

TJN will produce annual narrative progress reports within two months of the end of each financial year, and financial reports in accordance with the accountable grant letter. Informal discussions on progress will be undertaken at 6 monthly intervals, or more often if required.

3.6 Measuring Impact: Observable Verifiable Indicators (OVIs):

The table below summarises the OVIs to be used to evaluate the programme outputs, outcomes and purpose:

Impact to be measured	OVI
<p>Overall programme Goal: To strengthen developing countries' tax policy and administrative reform processes</p>	<p>Tax policy and administrative reform processes strengthened as evidenced by DFID country office, programme management and programme partner reports.</p>
<p>TJN Component Goal The goal is to ensure governments and revenue authorities are held to account for the tax systems they provide.</p>	<p>As evidenced by DFID country office consultations and TJN, partner civil society organisations and partner government reports</p>
<p>TJN Component Outcome Civil society organisations in developing countries, such as business and taxpayer associations, acquire better skills, influence and networks relating to tax reform advocacy, and thus engage in more effective demands for tax reform.</p>	<p><i>Extent and effectiveness of civil society influence on government taxation policy and reform process as evidenced by:</i></p> <p>Number, permanency and focus of government/civil society engagements on taxation issues</p> <p>Evidence of increased government/civil society interaction in this field</p> <p>Evidence of increased public awareness of tax and governance issues, including web hits on the global and regional websites</p> <p>Evidence of policy advice work from meeting diaries/ press reports etc.</p>

Outputs:	Outputs verified by sight of relevant documents/materials
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3.7 Payment Schedule

Funding tranches will be made available quarterly in arrears. Funding will be released on condition that all reporting requirements are up to date and that activities undertaken in respect of this project reflect these terms of references and DFID guidelines and principles.

3.8 Staffing:

The programme will be staffed by the following personnel. See appendix 1 for further details.

- a. John Christensen – TJN International secretariat
- b. Alvin Mosioma – TJN for Africa co-ordinator
- c. Matti Kohonen – Project Co-ordinator
- d. Richard Murphy – Tax Research LLP

4. Risks.

4.1. Developing country civil societies may not consider better tax reform a priority, or may not have the capacity to pursue it, or are otherwise prevented from accessing or using the TJN or other related networks. This risk is mitigated by the attempt to define the aims and purposes of taxation early on in the programme as being directly linked to poverty reduction, pro-poor growth and state-building. The project's overall approach on outreach, network building and education is designed to overcome this risk.

4.2 Tax is a politically sensitive topic and a stronger civil society 'voice' on taxation reform may be unwelcome to some partner governments. In some instances there may be cases where officials, civil society and policy makers alike will be prevented from using and applying the recommendations made at different stages of the programme. TJN will work with partners (including, where appropriate, DFID, members of the TJN such as Oxfam and Christian Aid, the International Budget Project and local civil society) in order to identify and overcome such 'blockages'. In some cases establishing policy agreement at the regional level, can lead to progress at a particular country level. This is especially important in year 3 as TJN approaches countries where political dialogue concerning taxation may be seen as more problematic. However, this programme does not consider post-conflict nations or countries where civil society activities are banned outright.

4.3. While TJN envisage that other countries in each region will follow the pilot country lead in establishing national tax advocacy networks, there is a risk that regional seminars and dissemination of materials will be insufficient to stimulate the desired results. Resources, engagement and capacities vary across countries. Some countries within regional networks will undoubtedly perform better than others, but it is reasonable to assume that sufficient progress will be made across each region to deliver success overall.

Appendix 1:

Short CVs for John Christensen, Matti Kohonen, Alvin Mosioma (project coordinators)

John Christensen is a development economist and director of the International Secretariat of the Tax Justice Network. He has worked as economic policy adviser to various UK government departments, including the Treasury and the Foreign and Commonwealth Office, and was economic adviser to the government of Jersey (a British tax haven) for 11 years. In addition, he has advised a number of major NGOs, including Oxfam and Christian Aid, and for 7 years was director and part-owner of a highly specialised economic consulting company linked to London University's School of Oriental and African Studies.

John was one of the founder members of the Tax Justice Network, and in 2005 was awarded a special bursary from the Joseph Rowntree Charitable Trust, which enables him to focus full time on developing the network and directing its research and advocacy programmes.

He is a Fellow of the Royal Society for Arts, Manufactures and Commerce, and an external research fellow at Kent University. He contributes regularly to a variety of radio programmes and has published papers in a number of academic journals.

Matti Kohonen is a sociologist, finishing his PhD degree in the course of 2008 concerning social enterprises in Ghana. As part of the study, he conducted 9 months of ethnographic field work studying two prominent Ghanaian social enterprises practices concerning social value creation. He has trained during four years especially in ethnographic research, social theory and development studies issues. He is co-editing a book titled "Tax Justice: Putting Global Inequalities on the Agenda" with Francine Mestrum, to be published in January 2009 with Pluto Press in London.

Matti is a founding member of the network and has worked since its creation as a volunteer alongside with his PhD studies. He has been key to initiating the network-building with the European and World Social Forums and has facilitated the creation of the Tax Justice Network for Africa in January 2007. He's published widely in the Scandinavian press.

Alvin Mosioma has been working as the co-ordinator of Tax Justice Network for Africa since January 2007. His work includes the organisation of Kenya Tax Forums, where stakeholders and government officials are invited to reflect on tax justice issues in the Kenyan and wider East-African context.

Alvin holds an MSc degree from the Johannes Gutenberg University in Germany, and has worked previously with SEATINI, a Nairobi-based trade justice campaign. His experience ranges from issues of economic justice in the national realm to trade justice in the international arena. He is both familiar with the regional integration bodies in Africa and the European context, having resided in Germany for his studies.

Richard Murphy is a chartered accountant and graduate economist. He trained with KPMG in London before setting up his own firm in 1985 in London. He and his partners sold the firm in 2000 when it had 800 clients. He is a serial entrepreneur, having directed more than 10 SMEs.

Since 2000 Richard has increasingly been involved in taxation policy, both as an adviser and campaigner. He is director Tax Research LLP and advises the Tax Justice Network, the Publish What You Pay campaign and many NGOs on tax and development.

He is a member of the ACCA's Research Committee and is a research fellow at the Centre for Global Political Economy at the University of Sussex and at the Tax Research Institute at the University of Nottingham.

A regular radio and TV commentator on tax and corporate accountability, he has also addressed UN, EU, HMRC and international diplomatic meetings on these issues. He writes a daily blog at www.taxresearch.org.uk/blog