

Assessing the Impact of Tax on Youth Responsive Public Service Delivery and Development in Nigeria

Background:

AA Nigeria is an affiliate of ActionAid International, which is a global alliance of organisations working towards achieving a world without poverty and injustice in which every person enjoys the right to a life with dignity. As a large and visible development organisation, we work in more than 40 countries in Africa, Asia, Europe and America. Our expertise lies in community-led approaches to development and working through partnerships with the poor and other grass root organisations.

Context

The Nigerian population is estimated at 196 million people, this figure was release by the National Bureau of Statistics-NBS. Of this total figure, the youth population stands at 60% of the total population. Nigeria can therefore be a country of the young people.

To harness the demographic advantages of young people in any country, policies for social, political and economic development must recognize the importance of young people, especially in promoting socio-economic and political progress, reducing poverty and optimizing economic performance. In Nigeria, youth account for 65% of the total labour force; hence, the need for Nigeria's development efforts to reflect this demographic fact become paramount.

Responding to the teeming demand of young people across the globe, development partners are designing and implementing projects to advocate for youth development. ActionAid Nigeria (AAN) in its current strategy¹ has prioritised to mobilise young people and their organisations for progressive social change. Through different youth platforms, such as Activista, we have been working to deepen public accountability, influence public policies and advocate for social services. We have been supporting young people's organisations and contribute to building a strong and dynamic youth movement through which we seek to contribute to the collective quest for viable alternatives and responsive governance. We have consistently sought to enhance young people's engagement with different institutional processes, including public finance, taxation, public service delivery, elections among others.

In this regard we have worked closely with ActionAid Denmark (AADK) which has supported our youth organising and empowerment with relevant resources and access to capacity building. Through this support under the Youth Organising Leadership (YOL) programme

¹ <http://www.actionaid.org/nigeria/publications/social-justice-end-poverty-2018-2023>

ActionAid Nigeria is implementing the “Strengthening Youth Focus in Service Delivery project from 2018 – 2021. The project aims at enhancing young people’s power to hold government accountable towards providing gender responsive public service to young persons.

As part of the intervention, the project will be mobilising young people towards influencing government policies, public accountability and responsiveness in public service delivery. One key area the project will focus on is the impact of government policies on young people and the mobilisation and allocation of public resources to facilitate development.

ActionAid believes that tax provides one of the main avenues for mobilising the needed resources to make this happen, however the state of the country’s tax architecture that continuously undermines the mobilisation of resources, lack of accountability in the country’s public expenditure at all levels coupled with unwholesome tax practises including tax avoidance and evasion have cost the country huge resources that could have been used to deal with the gap in public service delivery. According to a recent report “Averting Illicit Financial Flows in Nigeria’s Extractive Industry” released by Nigeria Extractive Industry Transparency Initiative (NEITI) Nigeria loses \$18Billion annually to Illicit Financial Flow with tax evasion and avoidance a major source of these flows². On the other hand the granting of indiscriminate waivers and tax incentives for the purposes of encouraging Foreign Direct Investment continues to hurt the growth of young entrepreneurs and local industries exacerbating youth unemployment, multiple taxation remains a challenge in the informal sector where a lot of young people are economically active. Progress has been recorded in tax revenue collection in the country; there is a marginal increase of tax to GDP ratio from 6% to 7% while the FIRS improved in its tax collection with over N5tn collected in taxes in 2017 boosting revenue generation. The FIRS in its proposition contained in the Medium Term Expenditure Framework Tax Revenue Projections for 2019-2020, submitted to the National Assembly it had proposed to generate N4.3tn to finance the 2019 budget. The progress in the tax revenue according to the FIRS was due to reforms and new efficient models of tax collection with further initiatives proposed including continuous review of existing laws, expanding the tax identification database revenue campaigns aimed at the informal sector among others.

All the above have far reaching implication for young people, the proposed tax reforms and initiatives and how it affects economic access and opportunities for young people, young people are the highest segment of the of the population dependent on public service delivery and therefore the accountability of public finance must remain of utmost concern to these group

² <https://guardian.ng/business-services/nigeria-loses-18b-yearly-to-illicit-financial-flows/>

In view of the above ActionAid is commissioning a research on the linkage and impact of tax on youth responsive public service delivery and youth development in Nigeria with a view to building concrete actions that informs, mobilises and facilitates policy and accountability engagement in public revenue generation and expenditure by young people

Objective of the Research Work:

The key objectives of the research will be to;

- Scope existing tax laws and reforms in the country and the extent to which these are responsive to the concerns of young people in the country
- Establish the linkage between tax and youth responsive service delivery, the gaps, challenges and framework for engagement through public expenditure processes (budgeting, planning, procurement et al)
- Identify and analyse key issues in the Tax landscape that could impact the access and participation of young people in Nigeria's economy
- Identify key areas and entry points for youth engagement with tax reforms and initiatives at the national, state and local government levels
- Determine the present level of knowledge, identify content, issues and perspectives for mobilisation and capacity building on the tax issues for young people

Deliverables:

A detailed print ready report reflecting the scope of the research print, should contain no fewer than five (6) sections that captures the methodology, context, an analysis of taxation in Nigeria including existing laws, reform initiatives, impact on youth responsive service delivery, economic participation of young people, knowledge and awareness gaps, policy engagement recommendations across various levels and arms of government and recommendations for actions by young people and any other identified issue by the consultant in line with the objectives of the research.

Report should be submitted in hard and a soft copy on an external hard drive or Hard disk, it should also contain relevant documentation; video clips, tax documents, quality photographs and any other material produced/documentated during the field work investigation

Methodology

- Provide a detailed methodology for conducting research and submit to ActionAid two (2) weeks before the commencement of the research
- The consultant will work independently to obtain the necessary material/resource for the task

- The consultant will be expected to undertake field work during the period of the assignment for data collection that may be determined by the research protocol

Timeline:

The research is expected to be undertaken in 25 days

Research Implementation:

- Tools Revision
- Field Deployment (Data Gathering)
- Analysis
- Report Writing
- Validation

Scope and Location:

The research will take place within a sample size of the DANIDA project focus states (Akwa Ibom, Borno, Enugu, Lagos, Kaduna and the FCT) and within the project target groups

Focus States;

Lagos, Enugu, Akwa Ibom, Kaduna, Borno and the FCT

Profile of Researcher Required:

- i. Minimum of Master's Degree in Development Studies, Political Science, Economics, or any of the social sciences.
- ii. Considerable experience working in area of public finance analysis, taxation, public policy and youth development.
- iii. Proven experience in conducting qualitative research, familiarity with social development, economic issues and impact on vulnerable groups
- iv. Good knowledge of data gathering using participatory approaches
- v. Excellent documentation skills

Payment:

The Researcher shall be paid a daily consultancy commiserate with the level of experience and ActionAid rates for the number of days. Fifty percent of the total sum shall be paid in advance at the beginning of the consultancy period. The balance of 50% will be paid when the final reports have been submitted

Reporting Lines

The consultants shall submit their reports to the DANIDA Project Manager

Submission of Expression of Interest

Please send us your expression of interest and profile to Procurement.Nigeria@actionaid.org on or before 18th September 2019.