

Terms of References (ToR)

**Primary survey for the study:
*'Tax Reform for Graduating Bangladesh: Justice
Perspective'***

Implementation
of
Primary Survey

Centre for Policy Dialogue





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1. Background

CPD has undertaken a study targeting reforming the tax structure of Bangladesh in the post LDC era. The study aims to design the tax structure from the tax justice perspective. The study will contribute by offering empirical evidence on how reformed tax structure could ensure effectiveness and fairness of tax policies and thereby helping towards achieving equitable economic growth and reducing inequality. One of the key data collection tools that will be utilised for the **study is a comprehensive primary survey on corporate entities**.

The UN General Assembly has set Bangladesh to graduate from the Least Developed Country (LDC) status and officially become a 'Developing Country' by the end of 2026. Bangladesh, having graduation from the category of Least Developed Countries (LDCs), is going to face significant challenges and opportunities in its macroeconomic condition. One crucial area will be to accelerate mobilising domestic resources for meeting rising financial requirement during the post-LDC period particularly in the backdrop of reducing concessional finance as well as rising commercial finance from the external sources. Direct tax is one of the major fiscal instruments that needs to be utilised to accelerate domestic resource mobilisation. However, ensuring tax justice should be one of the main goals of government accelerated resource mobilisation in the post-LDC era.

Tax-related challenges faced by developing countries after graduating from LDC status are multifaceted and critical for sustaining economic stability and growth. This transition typically involves losing certain preferential treatments and facing increased fiscal pressures, including the need to generate more revenue domestically. Two important components of direct tax - personal income tax and corporate tax, are significant sources of revenue for governments worldwide, contributing to public expenditure on infrastructure, education, and social welfare. According to Clausing (2016), the design of corporate tax systems influences economic behaviour, investment decisions, and international competitiveness.

After LDC graduation, countries often experience economic transition and structural changes that affect SMEs and individual taxpayers. Tax systems may become more complex at the post-graduation stage, requiring SMEs and individual taxpayers to navigate complicated rules and incentives. SMEs in emerging sectors may come across new tax challenges related to industry-specific regulations and incentives (OECD, 2022). Changes in international finance and development aid availability can impact SMEs' access to funding for growth and operations.

Addressing tax justice is always challenging for the policy makers. Tax authorities in developing countries face challenges in enforcing compliance, leading to potential tax evasion and avoidance issues affecting the ability of SMEs and individual taxpayers to contribute equitably to tax revenues. Tax policies may influence poverty alleviation efforts, impacting SMEs and individual taxpayers operating in lower-income segments of the economy (IMF, 2023). In the light of tax justice, how Bangladesh's tax authorities (i.e. National Board of Revenue) will design the tax structure, especially personal income tax and corporate tax as well as how they will enforce that, will be critically important.

Bangladesh's LDC graduation would not be smooth when the domestic revenue generation has been historically low. The average revenue-GDP ratio has been just around 10 per cent with the tax-GDP ratio remaining as one of the lowest amongst global economies. It has been argued that low compliance rate, tax exemptions for many sectors, and high level of informality associated with various economic activities, etc. are major reasons for low revenue collection (Mansur,

2020). For a rapidly growing economy like Bangladesh, a lower tax-GDP ratio compromises the governments' ability in allocating the desired level of resources to many sectors. The implementation of large-scale infrastructure projects, strengthening of social protection, improving public service delivery, etc. will continue to demand a huge commitment of resources for which external financing will be critical (Razzak and Khan, 2021).

The dual goal of the tax reform in Bangladesh – (a) influencing economic growth, income distribution, and social welfare and (b) ensuring fairness and effectiveness of the tax structures in achieving tax justice, is always challenging. As Bangladesh transitions post-LDC graduation, understanding how taxes are structured and their implications from a tax justice perspective becomes imperative. Against this perspective, CPD has undertaken this study which will highly rely on the data collected from primary and secondary sources.

2. Objectives of the Primary Survey

The objective of the survey is to collect comprehensive and relevant data on various tax-related practices and perceptions of Bangladesh's tax system among different corporate entities.

3. Survey Technique and Coverage

3.1 Scope of Work

The selected firm will conduct field surveys to gather primary data from at **least 122 corporate entities**. Each survey conducted with a **top-level representative** will be considered a survey for the respective corporate entity.

3.2 Sampling frame

The surveyed factories will be from the districts **Dhaka** and **Chattogram**. In conduction of the survey, the following frame will be maintained:

Table 1: Survey distribution for Corporate Entities Industry Wise

Industry	No of Respondents
Bank	11
Cement	3
Ceramics	3
Engineering	13
Financial Institutions	7
Food & Allied	6
Fuel & Power	7
Insurance	18
IT Sector	3
Jute	3
Paper & Printing	3
Pharmaceuticals & Chemicals	10
Services & Real Estate	3
Tannery Industries	3
Telecommunication	3
Textile	18
Travel & Leisure	3
Others (Mix)	5
Total	122



3.3 Survey Equipment and Software

As indicated earlier, the data will be electronically collected using tablet computers running on an Android platform and uploaded to a server daily, allowing for remote quality control and tracking study team. Hardware and software to be used by organisational convenient. We propose to use Survey CTO (can suggest alternatives) for conducting this survey.

3.4 Implementation of training to the Survey Team

For survey implementation, training will be provided to the interviewers and field officers on the pre-structured questionnaire of the field survey.

4. Survey Fieldwork

The survey firm bears the responsibility of drafting, obtaining approval for, and sending letters and/or emails, making phone calls, scheduling appointments, conducting in-person visits, and employing other strategies to ensure a high level of participation. Fieldwork is necessary to obtain comprehensive survey responses. Adequate effort and resources should be dedicated to preparing and organising logistics before initiating the fieldwork. CPD can offer support, including official letters from CPD if needed.

The survey firm is required to collect and validate the contact details, including phone numbers and addresses, of all respondents whenever possible. Additionally, the GPS coordinates of the addresses of the interviewed respondents must be recorded during the survey process.

5. Survey completion

CPD study team determines the completeness and quality of the survey data collected. To consider a survey complete, all relevant information must be gathered and accurately entered into the database. Every question should be answered, except when skip patterns are appropriately applied. Ensuring data integrity and accuracy is of utmost importance.

The Consultant will establish procedures to verify the quality of the surveys conducted. Approximately ten percent (10%) of the completed surveys will be randomly selected for back-checks via telephone by the Consultant. The proportion of callbacks may be adjusted based on the quality control feedback provided by CPD.

Representatives from CPD may accompany survey teams during fieldwork to monitor the effectiveness, maintain quality control, and assess progress. This monitoring process will contribute to ensuring the overall reliability and credibility of the survey results.

6. Data Entry, Format and Sharing

The survey firm will also provide the collected data at five predefined stages during the data gathering/entry process for consistency check and quality control. The first set will be delivered after ten percent (10%) of the total number of surveys have been completed and entered into a data base. The second set will be delivered after twenty-five percent (25%) of the total number of surveys has been completed. The third set will be delivered after fifty percent (50%) of the total number of surveys has been completed. The fourth set will be delivered after seventy-five percent (75%) of the total number of surveys has been completed. The final set will be delivered after completion of one hundred percent (100%) of the surveys. The survey data will be delivered to the CPD in Microsoft excel (including codebook) and STATA electronic format.

7. Data Quality and Non-Participation

In order to ensure data quality and consistency, a survey data quality control procedure is in place. The first checking of the data will be completed and documented by the Consultant

- There are no errors in variables codes, questionnaire flow, skip patterns, number of missing values, etc.
- There is no “double counting
- Monitoring of collected data
- Flagging implausible data
- There are no errors in data’s logical consistency or outliers
- Checking for straight-line answers, etc.

8. Deliverables

The selected firm will deliver all activities related to the primary survey including data cleaning and processing of the surveys.

Specific deliverables will be as follows:

- Undertaking the primary survey, in collaboration with the CPD study team;
- Provide the finalised codebook and translated questionnaire manual;
- Engage qualified enumerators for conducting the primary surveys;
- Conduct training of the enumerators based on the questionnaires prepared by CPD;
- Supervise and monitor enumerators in order to ensure quality and standard of data to be collected by the enumerators;
- Conduct pilot survey on 1-2 area prior to launching the surveys;
- Provide daily Data Quality and Non-Participation and Progress Reports that include summary of data quality, response rates differentiating between refusals and problems with the sampling frame in a format;
- Provide the survey data to the CPD in appropriate format as per data sharing mentioned above;
- Undertake repeat survey by the enumerators, if necessary, in order to ensure accuracy and authenticity of data to be collected by the enumerators;
- Provide regular Staffing Reports noting any changes in staffing;
- Design the structure of data entry by using appropriate software as suggested by the CPD study team;
- Compile and do the entry of the survey data as per the design frame and software suggested by the CPD study team;
- Undertake coding and cleaning of the data after data entry;
- Take necessary measures to ensure the accuracy of data entries and apply appropriate scrutiny tools for corrections of data as required;
- Provide CPD with a clean labelled database. The database will be in the Microsoft excel and STATA electronic database format. The database will contain all variables included in the questionnaires, following the codes included in them. Each respondent should have a unique numeric identifier including the location information of each interviewee: name, address, GPS coordinates of home location, phone number.



9. Confidentiality and Data Ownership

The survey firm will ensure security and confidentiality of the completed questionnaires and safeguard the confidentiality and privacy of the collected information. The survey firm will protect the confidentiality of individuals participating in the survey at all stages. All data is confidential and the property of the CPD.

10. Timeline

The tentative timeline for completing the aforementioned deliverables will be from **25th December 2024 to 10th January 2025**.

11. Eligibility (For Office Check)

The applicant will have:

- At least 5 years of professional experience in academic, development and action research, analysis;
- At least 2.5 years' experience in conducting similar types of surveys applying similar methods;
- The applicant needs to have clear understanding on the issues of the research and communication ability with the participants of the survey;
- The applicant needs to have adequate number of qualified human resources;
- The applicant needs to have adequate number of Tablets or Smart Phones in order to collect accurate information;
- The applicant requires to declare that he/ she/ the firm does not have any conflicting interest/ affiliation with CPD or CPD employees in any means;
- The applicant should have competence in drafting reports in English.

12. Application requirement (For Office Check)

The applicant must submit a **technical** and **financial proposal** in two separate documents (along with the doc. The technical proposal should include a short **profile of the applicant, understanding of the assignment, process to be followed for the survey, list of tentative sample corporate entities and timeline of the whole activities**. The **financial proposal** should contain the detail breakdown of the budget requirements Proposal (including VAT and TAX).

The applicant must also submit the following documents alongside separately:

- A list of **relevant experience (max 2 page)** profile highlighting primary survey, FGDs and case studies and related assignment **along with client name, contract person and contact details**;
- **CV of the Lead Consultant (who will lead the assignment)** – Maximum 2 page highlighting related assignment completed, role in the completed assignment;
- **Short CVs (max 1 page) of other team members** (who will be involved in the assignment) highlighting related assignment completed and role;
- Firm's/Individual's **TIN and VAT registration** etc. (required only for firm);



The following financial documents (latest available) are required as well —

- **Trade License**
- **TIN certificate**
- **Acknowledgment receipt for the last annual TAX return (2023-24)**
- **BIN Certificate**
- **Bank Account details**

13. Finance-related special notes (For Office Check)

All payments for the vendor will be made through Account Payee Cheques in favour of the vendor.

- CPD will deduct TDS from the billed amount as per Section 52AA, Income Tax Ordinance 1984.
- The vendor will need to provide CPD Mushak-6.3 with the bill at 15% rate, as per Statutory Regulatory Order (SRO) 149/20.
- CPD will deduct 15% VAT from the billed amount.
- The vendor will need to produce original invoices/bills for each delivery made under ToR within this contract period.

14. Evaluation criteria

The submitted proposals will be assessed based on the following:

Item	Criteria	Score
Technical proposal	Understanding of the assignment	5
	Relevant experience	10
	Proposed design of the survey	15
	Quality of the proposed equipment	5
	Experience of lead consultant	15
	Experience of enumerators	15
	Total	65
Financial proposal	Competitive pricing and overall reasonable, justifiable financial proposal	35

15. Health measures (For Office Check)

The following information should be shared along with the proposal from potential applicants:

- The organisation’s health policy;
- Specify if the applying organisation has a group health insurance or not. If yes, please share the relevant documents;
- Each individual affiliated with the applicant firm/individual in conducting these primary surveys should have a minimum coverage of BDT 2 lac group or personal life insurance;
- In case of individual applicant for the task, health insurance will be needed along with the application;



- If the individual applicant engages other human resources for the primary survey, health insurance of those human resources will also be needed;
- Outline the health protocol that will be observed during travelling of the consultant(s) and also for participants travelling to survey venues.
- Elaboration of how these health guidelines will be implemented;
- CPD will not be liable for any health hazard and/or accident of the primary surveys' consultants and/or participants.

16. Submission and Contact details

Please send your proposal to procurement@cpd.org.bd.

Hard copies of the proposal can be sent to CPD office to the following address:

Centre for Policy Dialogue (CPD)
House-40/C, Road-11 (new)
Dhanmondi, Dhaka-1209, Bangladesh

Contact:

For further official information on ToR:

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Application closing date: 21 December 2024