



REQUEST for EXPRESSIONS OF INTEREST

Provision of Individual Consultancy to Develop a Comprehensive Strategy for Domestic Resource Mobilization and Consolidation

The Liberia Revenue Authority (LRA) was established by an Act of Legislature in September 2013 for the purposes of assessing and collecting national revenues as specified in the Revenue Code of Liberia and other related laws; administering, accounting, auditing, enforcing revenue collection laws and regulations; and educating taxpayers to facilitate tax and Customs compliance. The Authority replaces the Department of Revenue. The LRA mission is to professionally, fairly, transparently and effectively collect lawful revenue; facilitate legitimate trade and social protection for the people of Liberia.

In order for the LRA to meet its core mission objective of collecting national revenue and to buttress the collection of lawful revenue, the Liberia Revenue Authority is procuring the services of an Individual Consultant to **Develop a Comprehensive Strategy for Domestic Resource Mobilization and Consolidation**.

Domestic Resource Mobilization and Consolidation

Like all other African countries, Liberia's public sector development and recurrent expenditure financing has two main sources, foreign and domestic. The foreign inflows consist of debt, non-debt or ODA, remittances and emergency aid. Domestic resources, which is the focus domestic resource mobilization (DRM) is also constituted by debt and non-debt financing. Debt financing is based on government borrowing from private savings via financial intermediaries through the issuance of debt instruments such as treasury bills and bonds. Non-debt flows is predominantly tax and non-tax revenue.

The country's main motivations for DRM is to finance investment for inclusive growth and return to the average growth trajectory of 7 percent attained during the pre-Ebola period (ESRP) and ultimately contribute to realizing the sustainable development goals (SDGs). In the wake of shrinking fiscal space, concerted efforts aimed at mobilizing and consolidating domestic resources could spur revenue growth, support fiscal consolidation measures, and provide much needed economic stimulus for the revival of the economy. That level of growth in economic activity will keep the national savings rate buoyant, above the 18 percent registered in 2015/16, for financing much desired investment in infrastructure and increase tax revenue to make contribution to capital formation and cater for social spending. Secondly, given the lessons learnt from recent crises, the country wishes to build some domestic resilience to shocks. It is also quite opportune that the evolving paradigm in international development financing has an accent on DRM predicated on a consensus among development theoreticians and practitioners as a reliable source of financing achievement of the Sustainable Development Goals.

Domestic Resource Mobilization in Liberia

DRM in Liberia is confronted with a number structural, policy, institutional and behavioral challenges that impede success in raising the savings ratio and tax revenue. These in turn constrain the provision of basic social services and rejuvenation of inclusive growth.

- Unsustainable economic growth path that led to wide fluctuations in the savings ratio;
- Low level of financial deepening that discourages savings;
- Government policy that lead to revenue loss
- Capital flight and illicit flows through transfer pricing, mispricing, over-invoicing and cash transfers;

- Widespread informality that complicates revenue collection;
- Wide tax compliance gaps
- Pervasive corrupt practices manifested in transactions within and outside Government; and,
- Wide capacity gaps in the Liberia Revenue Authority

In order to mobilize and consolidate domestic resources, Liberia needs a comprehensive framework for domestic resource mobilization and consolidation encompassing among others:

- A Comprehensive Domestic Resource Mobilization Strategy
- A strategy for curbing leakages and risks- an enterprise fraud and risk management strategy
- An incentive system for compliance
- Options for expanding the fiscal space and ensuring prudent utilization including where application policies for fiscal consolidation and economic stimulation and orientation of resources to development priorities

Objective:

The objective of the DRM strategy is to identify and guide national initiatives to garner sustainable domestic resources for financing national development and social expenditures to achieve the Sustainable Development Goals as well as take first charge in addressing national emergencies.

The specific objectives are to:

Part I:

- (1) Elaborate a Taxpayer Compliance Risk Management program for the LRA to enlarge the tax base and increase tax revenue
- (2) Review the Government of Liberia policies that lead to revenue loss; and,
- (3) Elaborate an Enterprise Risk Management Framework to enhance administrative efficiency and accountability at the LRA.

Part II:

- (4) Proffer financial sector strategies and instruments that would increase gross national savings through financial deepening; and,
- (5) Identify the downside risks to building national savings and propose mitigating treatments.

Consultant Qualifications and Experience

- This consultancy is for an Individual Consultant.
- The Consultant must possess a post graduate degree in Economics, Finance, Taxation, MBA or related discipline.
- More than 10 years of documented experience of working in the field of study.
- Knowledge of working with enterprise risk and taxpayer compliance risk management issues in a tax administration.
- Knowledge of working in capacity development in tax administration, management, coordination and work flows.
- Knowledge and experience in various jurisdictions of tax administrations.
- Documented familiarity with Liberia's economic and financial environment is an added advantage.
- Documented social skills and networking capabilities is an advantage
- Prior experience in developing a DRM is an added advantage

Duration, Deliverables and Administrative Arrangements

- ✓ The duration of the consultancy is two (2) months starting June 1, 2017

- ✓ In the interest of ensuring quality assurance, the consultancy will have matrix reporting requirements at the technical level involving the LRA and UNDP experts.

Expressions of interest are now invited from Individual Consultants to indicate their interest in providing the above-mentioned stated services.

Interested Individual Consultants must provide information indicating that they are qualified to perform the services (brief profile, description of similar assignments, experience in similar conditions, availability of appropriate skills, etc.). Individual Consultants will be selected in accordance with the procedures and provisions set out in the Public Procurement and Concessions Act (PPCA) revised Sept 2010.

Expressions of Interest must be clearly marked "**Expression of Interest for the Provision of Provision of Individual Consultancy to Develop a Comprehensive Strategy for Domestic Resource Mobilization and Consolidation**" and delivered to the address below (by hand or e-mail).

Proposal must be submitted **on or before Monday, May 29, 2017, 11:00 a.m.** at the Liberia Revenue Authority Headquarters, ELWA Junction, Paynesville, Liberia

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