

Terms of Reference (ToRs) for Hiring of Consultant to Develop Econometric Models on Tobacco Taxation

Objectives of the assignment:

Under Article 6 of Framework Convention on Tobacco Control (FCTC), Pakistan has to implement tax and price policies on tobacco products as a way to reduce tobacco consumption. In this regard, Tobacco Control Cell formed a technical working group on tobacco taxation. Experts from Federal Board of Revenue, The Union, World Health Organization, World Bank and Tobacco Control Cell are members of the working group.

In order to increase tobacco taxes in Federal Budget 2016-17, the working group made recommendations to Federal Board of Revenue (FBR). Resultantly, 15.53% and 16.64% FED was increased on lower and upper slabs respectively in Federal Budget 2016-17. Last year, on recommendations of the working group, 21.66% and 15.12% FED was increased on lower and upper slabs respectively. In November, 2015, 7.58% and 4.13% FED was further increased on lower and upper slabs respectively. Although TCC is facilitating the working group for making recommendations in the upcoming budgets, but some scientific models are required to be developed for consistent increase in tobacco taxations and counter tobacco industry arguments before Revenue department. The aim is to sustain gradual increase in tobacco taxation.

In this assignment, a roadmap based on the econometric models will be developed. In order to achieve this, a technical expert with international experience in tobacco taxation reforms is required to be hired. The Consultant will develop empirical econometric models in Pakistan's context. The models will be tested in the local environment. Subsequently, these models will be presented to the members of technical working group on tobacco taxation. The aim is to increase tobacco taxation to the minimum level of 75% as recommended by WHO.

Description of Tasks:

The selected Consultant will perform the following tasks:

- Develop empirical econometric models to assist policy makers in Pakistan to assess the medium and long-term impacts, costs / benefits of tobacco taxation.
- Test these models to analyse the economic impact through Box-Jenkins models, Delphi method, exponential smoothing, moving averages, regression analysis, and trend projection or any other suitable models, according to local environment of the Pakistan.
- Presentation of the models to the members of technical working group on tobacco taxation and Ministry of NHSRC.

- Coordination with Federal Board of Revenue/MoF and other stakeholders to adopt these models to increase taxes on tobacco products.
- Provide an actionable recommendations based on the models for gradual increase in tobacco taxation.
- Provide guidance and consultation on economic relationships of tobacco taxes with public health issues.

Deliverables:

- Final Report on Empirical Econometric Models on Tobacco Taxation.
- Power point Presentation on Econometric Models (Softcopy and Hardcopy).

Qualification & Eligibility requirement:

The interested consultant shall have at least Master degree in Health Economics, Economics, Public Health, or related discipline. Consultant should possess good knowledge of all concepts, principles and approaches required for assignment. Shall have minimum 10 years experience of working on the same assignments at national or international level.

Timelines:

The Consultant will be required to complete his assignment in Four (4) months.