

**FEDERAL REPUBLIC OF NIGERIA**  
**MINISTRY OF MINES AND STEEL DEVELOPMENT**

**MINERAL SECTOR SUPPORT FOR ECONOMIC DIVERSIFICATION**  
**PROJECT (MinDiver)**

**Terms of Reference for the engagement of a Consultant to conduct a**  
**Baseline Study for Raw Materials for the Steel/Metals Industries in**  
**Nigeria and to develop support action to improve the Metallurgical**  
**and Steel Inspectorate.**

**1.0 INTRODUCTION**

The Federal Government of Nigeria has obtained a credit from the International Development Association (IDA) to fund the Mineral Sector Support for Economic Diversification (MinDiver) Project. The project has the following development objectives:

- a. To improve the attractiveness of the Nigerian Mining sector, as a driver for economic diversification, for long-term private sector investment in the exploration and production of minerals.
- b. To create a globally competitive sector capable of contributing to wealth creation, providing jobs and advancing our social and human security.

**2.0 BACKGROUND**

The Federal Government of Nigeria has embarked on an economic diversification campaign with the aim of leveraging on the Nation's vast natural resources to diversify the economy from the oil and gas sector to achieve economic emancipation.

The sector's growth and contributions to GDP have remained less than ideal, accounting for only about 0.33% in 2015. To address this, the Ministry of Mines and Steel Development (MMSD) recently developed a roadmap for mining growth and development with objectives to deepen sector reforms, attract new investors and collaborate with a wide network of partners and stakeholders to rejuvenate the sector and build a prosperous economy propelled by inflows from the solid minerals sector.

The overall objective of the MinDiver Project is to link with the Roadmap and enhance the mining sector's contribution to the economy by strengthening key government institutions, improving information infrastructure and knowledge, and fostering domestic investment in the sector. The Project consists of the following parts:

**Part A. Establishing a Strong Foundation for Mining Sector Development**

1. Carrying out of a program of activities designed to strengthen the MMSD's capacity for governance and administration of the mining sector;
2. Carrying out of a program of activities designed to strengthen the Nigerian Geological Survey Agency as well as geological knowledge and information infrastructure for the mining sector,
3. Implementing a program of activities designed to strengthen the Recipient's capacity for management of environmental, health and social impacts in the sector

**Part B. Facilitating Downstream Sector Development and Enhancing Competitiveness**

1. Strengthening administration of the artisanal and small scale mining sub-sector,
2. Implementing a program of activities designed to leverage the mineral sector for regional development
3. Implementing a program of activities designed to enhance value addition to mineral products (including upstream development of industrial minerals and dimension stones domain) in the mining sector,
4. Implementing a program of activities designed to advance proof-of-concept investments and to attract private sector investments

**Part C. Project Management and Coordination**

1. Strengthening the capacity of the MMSD for implementation, supervision and management of the Project through the provision of goods, consulting services, non-consulting services, operating costs and training for the purpose.
2. Supporting quality control of Project activities and outputs as well as monitoring and evaluation of Project outputs and results.

The key results of the project will include:

- i. Increased availability of precompetitive geo-science data enhancing mineral transactions;
- ii. Institutional information systems integrated with multi-sector planning tools;
- iii. Incentives created for Artisanal and Small-Scale Mining (ASM) formalization;
- iv. Improved environmental and social compliance by mining industry operators

### **3.0 OBJECTIVES**

The Nigerian basic metals strategic plan cuts across the entire value chain with primary/upstream activities concentrated on exploration, mining and beneficiation. The midstream involves the extraction/refining to liquid metal/steel while the downstream activities involve further metal working processing such as rolling; drawing; casting and finally the conversion to finished consumer products. The efficient use of natural resources is considered to be critical to sustainability of the steel industry and also has an overwhelming impact on the profitability and productivity of the steel industry. Therefore, an efficient raw materials management procurement strategy is critical

It is against this background that the MMSD is engaging the services of a Consultant to conduct a baseline study on the potential for the development of upstream activities and growth in the metallurgical Industry. The Consultant is inter-alia to survey and analyse the present status of the Steel making value chain in the country highlighting the potentials and challenges with respect to the prospects for development and utilization/consumption of locally available raw materials.

The Consultant will also develop support action for the Metallurgical and Steel Inspectorate through the preparation of Operational Guidelines and Safety Procedures appropriate to operations commonly used in the metals/Steel sector for the use in management of public and private sector operations, in Nigeria.

#### **4.0 SCOPE OF WORK**

The main role of this Consultant is to provide technical advisory support and independent research study to MMSD in the overall implementation of the Ministry's objectives for the MinDiver Project. The focus should be on the following duties and responsibilities:

- i. Undertake detailed study of all active and dormant local raw material sites capable of supplying to the Nigerian steel industry
- ii. Establish the status and condition of such works (e.g. exploration; exploitation) carried out on the deposits and provide information regarding the size, resource base, extent and geographical location ;
- iii. Identify and record any potential technical, economic, environmental or social impacts at existing and potential development sites which could present a challenge for development;
- iv. Identify the miners involved and other potential stakeholders;
- v. Conduct a techno-economic survey of the Steel companies in Nigeria and categorized them in terms of their technological processes, installed capacity, capacity utilizations, product mix, source of local raw material and requirements;
- vi. Determine the Steel industry market indices, local raw materials availability and conduct a demand/supply gap analysis to meet existing and expected future projections over a 10 year outlook;
- vii. Provide analysis, data and forecasts on a supply and demand basis by major raw material and by steel product;
- viii. Identify key challenges and supply-chain vulnerabilities faced by the Nigerian steel industry in particular regard to the management of raw materials e.g. on quantitative and qualitative basis;
- ix. Assess levels of efficiency and environmental performance of the Nigerian steel industry and make recommendations for improvement;
- x. Establish the necessary infrastructural requirements for the efficient delivery of local steel raw materials to the identified plants;
- xi. Recommend milestones for the balance of demand and raw material supply, now and for the future, and the potential for import substitution of both raw material supply and steel products (semi-finished and finished), through the sustainable utilization of local steel raw materials in Nigeria;
- xii. Make recommendations of good practice for raw material management;

- xiii. Outline strategies for raw materials management and procurement.
- xiv. Develop the necessary frameworks and present an in-depth analysis and formulate appropriate policies to address the challenges hindering the sustainable growth and development of locally available Steel raw materials;
- xv. Evaluate the potential job creation and skills development benefits that may arise from the development and utilization of the steel raw materials in Nigeria;
- xvi. Develop Operational Guidelines that touches on the role of the workforce, competent authorities, employers, workers and their organizations and focuses on the production of iron and steel and basic iron and steel products, such as rolled steel, including recycled material, Foundry industry, and the fabrication of commercial metal and products.
- xvii. Identify the most common causes of injury and illness and the different danger zones in the Steel plants and or Metals working plants and develop safety requirements for workers in the different zones.
- xviii. Develop a safety inspection procedures and inspection manual for inspectors to Steel plants and or Metals working plants.
- xix. Design and implement a capacity building programme for staff of the Metals sector of MMSD in the art of Metallurgical factory monitoring and inspection activities.

#### **5.0 CONSULTANT'S QUALIFICATION:**

The Advisory firm's team shall include all the necessary expertise required to complete the work as specified within the terms of reference for the assignment.

The experience required of the experts is as detailed below:

- a. Demonstrable knowledge and understanding of:
  - mining value chain development for Metals/Steel industry
  - management of Steel and or metal working plants.
  - Nigerian mining and steel industry sector.
- b. Skills and experience in management of Steel and or metal working plants. Sector-specific experience on similar assignments would be an added advantage Having such experience in Africa is an added advantage;
- c. Track record of successful project management, team work, and project delivery is essential;

- d. The Project Manager in the Advisory team should have relevant university and postgraduate degrees and at least 15 years of cognate experience and a proven track record in managing similar projects especially in countries similar to Nigeria. This senior position will involve responsibility for the day-to-day management in carrying out the terms of reference and in the conduct of
- e. joint planning with the MMSD and other Government agencies. Good interpersonal skills will be essential, including the ability to work with the staff of MMSD and other stakeholders involved in steering the reform program. It is a requirement of the assignment that the Project Manager works full-time on the assignment.
- f. Senior people under the Project Manager should have a minimum of 10 years of relevant experience in the areas where they will have the lead;
- g. Experience of working on a World Bank assisted project or similar Multilateral Institution environment such as ADB is an added advantage.

#### **6.0 REMUNERATION AND PAYMENT TERMS**

Remuneration of the consultant is attractive and commensurate with those offered by international bodies for similar assignments. The assignment will be based in Abuja. However, the consultant will also be reimbursed for operational expenses such as travel, accommodation, and telephone incurred while carrying out this assignment and in line with World Bank guidelines and procedures. Before reimbursement can be made, the consultant will need to submit a statement of expenses supported by valid documentation.

The successful consultant would be paid a lump sum amount, on monthly basis, in accordance with an agreed schedule of deliverables, on the agreed rate of professional fee and reimbursable expenses.

#### **7.0 DURATION OF SERVICE**

It is expected that service of the Consultant is required for a period of six (6) months.

#### **8.0 DELIVERABLES**

The consultant will produce the following reports:

- a. **An Inception Report** to outline the work plan of the consultant, define its tasks and the planned implementation periods and schedules, identify

- target submission dates on each task. Particular attention will be given towards the planned coordination within other teams and preparation of a detailed schedule in chart form. The inception report will be submitted within two weeks of the commencement of the assignment and once approved and issued in its final form, will serve as the consultancy's baseline for the management and monitoring of the tasks;
- b. **Monthly Progress Reports of activities carried out within the month;** The Consultant shall prepare Monthly Progress Reports covering progress towards achieving the objectives in this ToR. The reports shall provide a brief but comprehensive end-of-month progress assessment of activities carried out, details of impediment to the works and proposals for overcoming them. These reports shall be submitted within the first week of the succeeding month. The report will be submitted to the MinDiver Project Co-ordinator for assessment.
  - c. **A Draft Final Report,** within the first week of the last month of the assignment
  - d. **A Final Report** bound in three (3) copies and an electronic copy in CD, within the last week of the assignment.

The reports will be assessed and appraised by the Project Coordinator.

**All Reports Shall Be in English and Presented in Hard and Soft Copies**

## **9.0 SELECTION METHOD**

The consultant will be selected through Consultant Qualification (CQ) selection method.