

**CONSULTANCY SERVICES TERMS OF REFERENCE  
MINISTRY OF MINES AND STEEL DEVELOPMENT  
NIGERIA**

**Terms of Reference for the Engagement of an Advisory Firm to Strengthen the  
Institutional Frameworks Governing the Mining Sector (Functional analysis)  
and Sector Administrative Capacity Building**

**Background**

The Federal Government of Nigeria is targeting to raise the contribution of mining to Gross Domestic Product (GDP) from the current position of 0.3 percent to 3 percent in the year 2025 based on a projected annual growth of 10 percent. It has developed a roadmap entitled, the Roadmap for the Growth and Development of the Nigerian Mining Industry ('the Mining Roadmap'), to achieve its target. The roadmap's vision leverages on a sustainable and well governed mining sector that is globally competitive, friendly and plays significantly in a diversified Nigerian economy. The national aspiration is to build a world class minerals and mining ecosystem designed to serve a targeted domestic and export market for minerals and ores. This will be achieved by focusing on Nigeria's minerals, mining and related processing industry over a 3-phase period. Over 25 years, Nigeria would seek to achieve the following: (a) rebuild its domestic utilisation of industrial and energy minerals to support industrialisation in the first phase of 2-3 years; (b) expand its domestic ore and mineral asset processing industry in the second phase of 5-10 years; and (c) return Nigeria to the global ore and mineral markets expected to coincide with the next commodity upswing.

The Roadmap's strategic implementation objectives for overcoming current sector challenges include: (a) developing minerals (industrial and energy minerals) and steel to support manufacturing and industrialisation; (b) strengthening mining governance and institutions through strengthening the institutional capabilities of the ministry, regulatory framework by establishing a "super-regulatory agency from the technical departments of the MMSD and the Mining Cadastre Office, resolving regulatory conflicts, and improving regulatory enforcement as well as political coordination; (c) improving stakeholder engagement and participation, including states, communities; (d) enhancing industry participation of large, junior explorers, small scale operators, and artisanal miners across the mineral industry value chain; (e) Improving the quality, breadth, and accessibility of geoscientific data and information; and (f) improving the enabling environment for private sector participation through technical and managerial skills building, improving participation of women, eliminating child labor practices, improving ancillary infrastructure, broadening access to finance and improving the business climate and competitiveness factors.

**Challenges**

Among the many challenges confronting the mining sector is the weakly structured institutions, ineffective capacities and capabilities for policy formulation and sector planning as well as limited enforcement of regulations. The Ministry's current institutional and organisational design integrates policy, planning, promotion, and

regulation in several departments and agencies. Although the departments and agencies are functioning, although not optimally, they have suffered from limited human resource and technical capacity, insufficient tools, and insufficient funding. Furthermore, coordination between the ministry and other ministries, departments, agencies, and state and local governments on policy issues and the capacity and capabilities for strategic policy management is weak.

The government has committed to address the challenge of poor policy making and sector planning as well as weak regulatory enforcement and meet the Roadmap implementation objectives of:

1. having strong institutions;
2. improving policy consistency, direction, and strategies;
3. addressing policy uncertainties that together constrain investor confidence;
4. ensuring stronger economic and political coordination of minerals and mining policy in Nigeria;
5. attracting majors into the industry by stabilising long-term minerals and mining policy.

This will be achieved through implementation of an institutional restructuring program that would separate policy making from regulation and establish separate institutions to have responsibility for each role as follows. The institutional restructuring is expected to:

1. create a Super-Regulatory Commission through a merger of the MMSD's technical departments for artisanal mining, mines inspectorate, and environmental compliance with the Mining Cadastre Office to be responsible for mining sector regulation and administration;
2. retain the MMSD responsibility for sector policy, strategy, planning, and promotion

## **OBJECTIVE**

The primary objective of this consultancy is to: (i) strengthen the institutional frameworks governing the mining sector by preparing and implementing an institutional functional analysis of workflows, processes, and information flows, and needs assessment, and (ii) restructure the MMSD to become more effective in strategy and policy analysis and formulation and a model public service institution/ Ministry based on best-in-class organisation structure, internal processes, systems and work culture. This is also guided by the need to ensure that:

1. administrative and organizational structures reflect mining mandates and are efficient as well as demand-responsive;
2. there is no conflicting interest between policy, regulatory, and commercially oriented activities;
3. there are clear communication and reporting lines within and between target entities
4. head count requirements and skill sets for key departments and units match demands on the entities;

5. inter-connections between the Federal, State, and Local Government levels are working;
6. institutional processes do not contradict sound commercial practices of responsible resource exploration and production companies.

## **SCOPE OF SERVICES**

The Advisor will undertake the following tasks divided into three phases:

### **Task 1. Functional Analysis/ Institutional Review**

The objective of this phase is to conduct a functional management review and institutional diagnosis of the institutional and administrative framework governing the mining sector. The functional review will assess functional efficiency and effectiveness of the MMSD and its agencies in fulfilling its mandates, specifically how different units, departments and field offices function to deliver the overall mandate of the Ministry. These agencies include the Mining Cadastre Office, Nigerian Geological Survey Agency, and the National Steel Raw Materials Exploration Agency. The functional review will focus on the functional management – administrative configurations, operations, and performance. The functional review and diagnostic will complement ongoing reviews of the legal framework, policy framework, regulatory framework, and mineral sector governance to highlight strategic and practical matters needed for the target administrative bodies to carry out their functions.

The specific activities under this phase will include the following, which are not exhaustive:

1. Mandate Review: Review the mandate of MMSD and its agencies and their compliance to the Nigerian Minerals and Mining Act, 2007 and other laws, regulations, policies, and strategies and national development plans. This will involve:
  - a) assess and review the mandate for each department and unit of the MMSD and its agencies and mapping their responsibilities and relationships with each other;
  - b) Identify responsibility and accountability for compliance with laws, regulations, policies, and procedures, definitions of business functions;
  - c) Review and analyse the policy management performance of the MMSD and prospects in the context of national and regional development initiatives, including the African Mining Vision, ECOWAS Directive on the Harmonisation of Guiding Principles and Policies, the UN Sustainable Development Goals (SDGs) in the Mining Sector, and civil service structure;
  - d) Identifying gaps and provide recommendations.
2. Functional review and diagnosis of the existing structure of the MMSD, its target departments and their units, as well as each target agency and their departments and units. The functional review and diagnosis will assess the functions and activities in relation to the mandate, work program, allocation of resources, organisation processes through which work is managed, and the links to the roles and responsibilities. In undertaking the diagnostic, the

approach should reflect a balanced consideration of the institutional, organisational and individual determinants of entity-specific and sector-wide performance. For consistency, all the target bodies concerned should be structured and have common principles, criteria, and procedures. Specifically, this would include the following:

- a) Assess the efficiency and effectiveness of the departments of all departments and units under the MMSD and its agencies in exercising their current mandates;
- b) Assess the work procedures, their efficiency in time and use of resources and their influence on the quality of the services and products;
- c) Assess the budget procedures, and their adequacy to the mandates of the different departments and units;
- d) Assess the current use of IT in the Ministry and Agencies and develop an IT strategy that is responsive to the Ministry's current and future operating needs
- e) Assess the efficiency and effectiveness of performance management of departments and units in the MMSD and agencies in policies and procedures of managing resources and delivering services;
- f) Identify the organizational deficiencies influencing the performance of the departments and field offices and identifying the advantages of the actual organization and strengths of the institution;
- g) Assess the institutional and administrative capabilities of the MMSD and its agencies and identify gaps. This will involve:
  - assessing the qualification and experience of the current staff and evaluating overstaffing or understaffing situations;
  - identifying additional staff to fulfil the mandate of MMSD and establishing the qualification profile of each staff member (existing and required) for MMSD and its agencies to fulfil its mandate;
  - determining the "fit" between existing and future staff requirements in view of the planned establishment of the regulatory agency out of the MMSD and planned transformation of the MMSD to concentrate on sector planning, policy formulation, and investment promotion;
  - assessing the training needs of the staff to accomplish their duties and identification of the recommended scope for future training programmes
  - Benchmarking existing capabilities against international minimum requirements and best practice to highlight gaps.
- h) Review the existing Performance Management framework of the Ministry;
- i) Assess the availability of equipment, financial resources (budget and effective disbursement) and office facilities and the influences of the shortcomings on the institutional efficiency and quality of the services/products. This will involve determining the "fit" between existing and future equipment requirements (particularly office space, training equipment, vehicles, IT, water quality, field survey equipment, etc) both in the head and state offices.

- j) Review the pattern of communications between the MMSD and the public to assess whether their interests are being satisfactorily communicated to the ministry and whether MMSD decisions and policies are being satisfactorily communicated and understood
- k) Develop a sector-wide benchmarking tool that would identify international good practice elements (GPEs) for mineral sector administration considering the local context. The consultant will develop the GPE together with MMSD and other stakeholders. Results from the GPE will also guide the development of overall functional management recommendations;

Based on this review, the consultant will consolidate and produce functional assessment reports and make recommendations on the following:

1. Required revisions to the organisational structure of the MMSD and agencies in view of the new mining sector institutional framework vision;
2. Staff capacity assessment

## **Task 2. MMSD Transformation**

Based on the functional analysis, the consultant will undertake the following:

1. Optimise the current organisation structure of the Ministry and document job descriptions, Key Performance Indicators and skills/competency requirements for the various jobs/functions in the Ministry;
2. Develop a Learning and Development Curriculum which takes into consideration the skills/competency requirements for each function and job across the Ministry;
3. Optimise the existing Performance Management framework of the Ministry to ensure adequate focus on the delivery of the Ministry's mandate, goals and objectives as well as developmental needs of staff;
4. Enhance the operating effectiveness of the ministry's departments and agencies through the review and update of the Policies and Procedures, and the training of key process operators on the redesigned policies and procedures;
5. Optimise and enhance the revenue management and contracting/procurement processes to ensure these processes are more efficient and risk-focused;
6. Establish functional linkages between the MMSD and various Ministries, Departments, and Agencies (MDAs) involved in national planning, policy, economic management, infrastructure etc. Key MDAs will include but not be limited to the Ministry of Budget and National Planning, Ministry of Finance, National Bureau of Statistics, Federal Inland Revenue Services, Office of the Accountant General, Ministry of Transport, Ministry of Works and the Ministry of Environment as well as State Governments and Local Government Authorities;
7. Optimise the incentive administration process to facilitate efficient and easy access to approved sector incentives by private sector investors;
8. Assess the Ministry's current use of IT and develop an IT strategy that is responsive to the Ministry's current and future operating needs;
9. Design an efficient and optimal management information and reporting system, including internal financial reporting framework (process, structure, format, frequency, timing, recipients, responsibilities, etc);

10. Design system-based financial reporting templates to assist in providing accurate, timely and relevant financial information for effective decision making and delivery on the Ministry's mandate. Strengthen financial stewardship in the Ministry by training the relevant staff of the Ministry with responsibility for generating the reports;
11. Provide other ad-hoc support as deemed necessary.

### **Task 3. Establishment of a Super Regulatory Agency**

Based on the functional analysis under this consultancy and the conceptual model of the new regulatory authority to be designed under a separate consultancy, the consultant will advise and assist the Federal Government in establishing and strengthening an independent regulatory authority.

The Adviser is required to do the following:

1. Develop an implementation plan for the start-up of the new regulatory agency and its first two years of operations. This will include: financing plan, budget preparation, staffing/training plan and work plan etc.
2. With respect to the work plan, the Adviser will advise and assist in the identification of priorities;
3. Support in the establishment of the agency.

Deliverable: A detailed implementation program and implementation progress reports.

### **Task 4. Provide Ongoing Support to the Super Regulatory Agency during start-up period**

The Adviser shall provide intensive day-to-day support to the new agency during its initial six-month start-up period. It is anticipated that each member of the on-site adviser team would each work closely with his / her newly-appointed agency counterpart.

### **Task 5. Sector Administration Capacity Building**

1. Based on the institutional and administrative capabilities and existing and proposed staff capacities in the MMSD, design and implement capacity development programs in several functional areas to address identified gaps. This should include programs to build capacity in the short, medium, and long term through a wide range of options using consultants and advisers and through on-the-job training programs, conference visits, cooperation with international institutes;
2. Initiate partnership agreements between national public training institutions with international public training institutions to introduce mineral management and technical training programs

The consultant will consolidate and produce the following:

1. Short, medium and long-term capacity building plan to improve functionality and strengthen capacity of MMSD and agencies at national and state levels;
2. Draft partnership agreements

## **ADVISER QUALIFICATIONS**

The Advisor's team shall include all the necessary expertise required to complete the work as specified under the terms of reference for the assignment. This includes members with a thorough knowledge of public administration, governance and public administration, mineral management and experience in undertaking similar assignments. The team shall include a Day-to-Day Project Manager and Team Leaders and other key staff for each of the necessary expertise. The experience required of the experts is as detailed below:

1. At least 10 years' experience in preparing and managing restructuring programs for public sector agencies, particularly ministries responsible for the mining sector;
2. Strong professional knowledge in policy research and development;
3. Experience in program management and understanding of the planning and funding cycles of the public sector and development financing organizations;
4. Experienced in working with government agencies in West Africa, and ideally in Nigeria, with case study examples of similar projects.
5. Able to rapidly analyze and integrate diverse information from varied sources into conclusions and recommendations;
6. Experienced in project management, and in using project management tools such as MS Project, Gantt charts, etc;
7. The Day-to-Day Project Manager should have a minimum education to Masters/MBA level in the required specialist areas at least fifteen [15] years of industry experience and at least eight [10] years of experience in restructuring of public sector agencies in countries at a similar state of development. He/she should also have at least four [4] years of extensive project management. Experience of working in Nigeria is an added advantage though wide international experience would be equally valued;
8. This senior position will involve responsibility for the day-to-day management of the project and for all joint planning with the officials of the MMSD, and other agencies and institutions. Interpersonal skills will be essential, including the ability to engage with policy and senior level representatives of Government. It is a requirement of the assignment that the Project Manager work full-time on the assignment and spend at least one-half of the project duration in Nigeria;
9. The Team Leaders and other key staff should also have not less than ten [10] years professional working experience in their respective fields, some of which should include relevant experience in the mining sector. They should also have a minimum education of M.Sc. in their field of experience as well as requisite professional certification and must be familiar with international reporting standards. They

should collectively demonstrate an even spread of expertise in the required areas that will arise in executing the tasks outlined herein. Key staff should also include several Nigerian individuals who have extensive experience in the relevant legal, regulatory, accounting, and commercial issues as they relate particularly to Nigeria;

10. Fluency in spoken and written English is mandatory

## **REMUNERATION AND PAYMENT TERMS**

Remuneration of the Advisor is attractive and commensurate with those offered by international bodies for similar assignments. The assignment will be based in Abuja. However, the Advisor 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 Advisor will need to submit a statement of expenses supported by valid documentation.

The successful Advisor 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, subject to satisfactory performance, timely receipt and approval of deliverables.

## **DURATION OF SERVICE**

It is expected that service of the Advisor is required for a period of eighteen (18) months and could be extended subject to requirement and satisfactory performance of the Advisor and based on necessity.

## **DELIVERABLES**

The Advisor will produce the following reports:

- a. **An Inception Report** to outline the work plan of the Advisor, 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. Stakeholder mapping will be included in the Inception Report. The inception report will be submitted within one month of the commencement of the assignment and once approved and issued in its final form, will serve as the Advisor's baseline for the management and monitoring of the tasks;
- b. **Monthly Progress Reports** on engagements and findings with stakeholders in the industry; The Advisor shall prepare consolidated Monthly Progress Reports



covering progress towards achieving the objectives in this ToR as well as identified areas of weaknesses and strategies for improvement. The reports shall provide a brief but comprehensive end-of-month progress assessment and 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 assessed and appraised by the Technical Adviser on Mining Policy and Governance and the MinDiver Project Coordinator.

- c. **Quarterly progress reports** of the activities carried out within the preceding quarterly period. The Advisor's Project Manager will prepare consolidated Progress Reports of the information contained monthly reports together with a summary of Advisor's activities and conclusions on all pertinent issues concerning the assignment. In addition, the Quarterly Progress Reports will outline recommendations, for amendment or solutions to issues and matters raised or found in the course of the study and any other information considered necessary in respect of service delivery. These reports shall be submitted at the end of the first week of the succeeding quarter. The report will be assessed and appraised by the Executive Secretary SMDF and the MinDiver Project Coordinator.
- d. **A Draft Final Report**, within the first week of the penultimate month of the assignment.
- e. **Final Report** bound in three (3) copies and an electronic copy in CD, within the last week of the assignment.

**All Reports Shall Be in English and Presented in Hard and Soft Copies for review and approval by the Project Co-coordinator**

**THE ADVISOR WILL SIGN A CONFIDENTIALITY and NON-DISCLOSURE AGREEMENT WITH THE PIU (Project Coordinator overseen by the World Bank). Noncompliance will subject to legal penalties not inferior to the Full Cost of the Contract.**

**NO FINAL PAYMENT WILL BE MADE UNTIL QA/QC HAS BEEN PASSED.**

**SELECTION METHOD**

The Advisor will be selected according to the Consultants Qualification Selection Method.