

## Promoting Transparency and Sustainability in Extractive Industries

RG-T2496:

### DRAFT TERMS OF REFERENCE

#### Project Coordinator

#### I. BACKGROUND

- 1.1 The Latin America and Caribbean (LAC) region is the world's leading source of metals and its second most important source of oil. In 2013, the region produced over 10 million barrels of oil and 800 million cubic meters of natural gas per day. In total, it held 29 percent of the world's mineral investment portfolio and was the principal target for global investors in the sector. The nine main producers of oil, gas, and minerals in the region (e.g., Brazil, Bolivia, Chile, Colombia, Ecuador, Mexico, Peru, Trinidad and Tobago, and Venezuela) accounted for approximately 11 percent of the world's oil production, 5 percent of natural gas, 15 percent of gold, 46 percent of silver, and 40 percent of copper. In these same countries, fuels and minerals made up approximately 60 percent of total exports, and revenues from the extractive sector provided for almost one third of total government income. For comparison, at the global level the extractive industries generated more than half of government revenue in petroleum-rich countries and more than 20 percent in mining countries. Extractive activities have been, and continue to be an important economic activity in the LAC region.<sup>1</sup> However, many economic, social, institutional, and environmental challenges associated with the extractive industries prevent the LAC region from fully benefiting from the potential of the sector. The social and economic value captured through activities directly and indirectly related to the extractive industries remains suboptimal.
- 1.2 The dominance of the extractive sector in LAC economies often coexists with numerous governance dysfunctions, reflecting weak institutions and regulatory frameworks, information asymmetries, and competing stakeholder claims over development impacts.<sup>2</sup> A more robust and transparent investment climate is necessary to promote the sustainability of public revenue streams and the supply of minerals and hydrocarbons in the LAC region.<sup>3</sup> However, relevant synthetic and reliable information about the extractive sector is seldom available to decision-makers and civil society stakeholders in LAC countries: there is limited information about the specific governance gaps hindering state capacity to manage the extractive sector and the most suitable strategies to tackle these problems. There is also a limited knowledge, from the perspective of the Bank, of the expectations of Government, Industry and Civil Society stakeholders in regards to the most suitable mechanisms for supporting member countries seeking to enhance transparency and sustainability of the extractive sector.
- 1.3 In response to this demand, the IDB is supporting the generation and dissemination of key inputs to support member countries in strengthening transparency and sustainability in the governance of the extractive sector. It supports the development of dialogues with and among relevant stakeholders for consensus building and the generation of updated and reliable information about the extractive sector in Latin America and the Caribbean (LAC) needed to enhance governance in the extractive sector. It will generate an analytical base that stresses the

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<sup>1</sup> They have produced significant returns for foreign investors and have been an important source of government revenue, through taxes and royalties. They have also fostered positive social impacts, through forward and backward economic linkages and new employment opportunities. In some cases, they have helped improve education levels, and access to community infrastructure.

<sup>2</sup> Masson, Malaika and Juan Cruz Vieyra (eds.). Forthcoming. *Transparent Governance in the Age of Abundance: Experiences from the Extractives Industries in Latin America and the Caribbean*. IDB: Washington D.C.

<sup>3</sup> *Ibid.*

role of targeted transparency and economic sustainability policies in assisting authorities in their long-term planning and governance of natural endowments, and strengthening institutions and regulatory frameworks for the extractive sector (i.e., adoption of the EITI, strengthening of forward and backward linkages, etc.). Further, it will provide critical inputs to the Bank's work in the extractive sector; supporting country programming activities and the formulation of customized packages of support for promoting transparency and sustainability in the extractive sectors in specific member countries. It will increase and expand sector-specific knowledge and research developed under different bank operations dealing with the governance of the extractives sector.

## **II. OBJECTIVES**

- 2.1 The objective of this consultancy is to support the efforts of the Energy Division in the execution of the Technical Assistance project RG-T2496, *Promoting Transparency and Sustainability in the Extractive Sector ("the project")*. The Contractual will be responsible for the day-to-day coordination and management of the project, as described in the activities outlined below.

## **III. ACTIVITIES**

- 3.1 The Project Coordinator will be responsible for the following activities:
- a. Work-Plan: Draw up a Work Plan that includes a detailed overview of key milestones, participating parties, budgets, monitoring arrangements, etc. to ensure staff and contractual responsibilities are defined and products are delivered in timely fashion. Coordinate and supervise the Work Plan with regular reporting on achievements, progress, budgets and risks to the Project leader.
  - b. Contractuals: Prepare the terms of reference for the products that need to be contracted and produced to fulfill the objectives of each Component of RG-T2496. Coordinate and ensure the selection of the most appropriate individual contractual or firm in accordance with Bank procurement guidelines. Supervise contractuals' activities and collaborate with the Team Leader, staff in country offices other external advisors, and counterpart Ministries in member governments in order to ensure the smooth progression and finalization of the contract.
  - c. Missions/Inter-Departmental Activities: Facilitate work activities, administration and travel logistics with regards missions and other inter-departmental work required to execute the Regional Proposal.
  - d. Document Standards/Maintenance: Together with the Team Leader, identify and coordinate the review of all the main technical documents resulting from the Regional Proposal to ensure quality and fit with IDB Standards. Ensure a comprehensive and orderly filing method in IDBDocs for all information related to the Project.
  - e. Communications: Coordinate with the Project Leader and Team Members the generation of key communication documents (design and deliver publications, power-point presentations, speeches, papers, press releases) for internal and external distribution. Ensure coordination and communications with other IDB Divisions. Create opportunities for the dissemination of this work within the Bank and develop a method of monitoring success.

- f. Internal Engagement: Identify appropriate opportunities to leverage the project deliverables in prospective and existing IDB initiatives touching on governance in the extractive industries. Provide technical and administrative support to Bank staff in this regard.

#### **IV. CHARACTERISTICS OF THE CONSULTANCY**

- 4.1 **Type of consulting:** DTC
- 4.2 **Qualifications:** The Contractual should be familiar with actors and issues in the oil/gas and mining industry in LAC, and a solid understanding on issues related to good governance, investment climate, transparency, and accountability debates in the extractive sector. He should be a professional with an advanced degree (PhD. preferred) and at least five (5) years of experience in the field of economics, environment & development, or public policy. Additional required expertise include is: (i) proven research, analytical and writing skills, with an emphasis on multi-disciplinary flexibility; (ii) project management; (iii) familiarity with Bank systems and; iv) fluency in English and Spanish (French desired).
- 4.3 **Total days of consulting:** This contract is expected to last 18 months, starting August 1<sup>st</sup> 2014.
- 4.4 **Workplace:** The work is based in Washington DC.

#### **V. PAYMENT SCHEDULE**

- 5.1 Payments will be made to the Contractual upon presentation and approval of monthly progress reports.
- 5.2 Travel and accommodation costs from the Washington DC work-base are not included in this contract. However, travel outside of Washington they will be considered if required for Regional Proposal work that necessitates travel outside of Washington DC.

#### **VI. COORDINATION**

- 6.1 The coordination of the consultancy will be led by Ramon Espinasa (INE/ENE) within the Division of Energy and team leader for this consultancy.