



## **Terms of Reference for a Consultant to Develop Minerals Beneficiation Strategy for Namibia**

### **1. Introduction**

Value Addition is a cornerstone of Vision 2013 and a major component of NDP4. This is further augmented by other policies such as the "Growth at Home" which was launched by the Ministry of Trade and Industry some two years ago. The Desired Outcome of NDP4, Chapter 12 on Manufacturing states that: *"By 2017, the contribution of general manufacturing in constant Namibia dollars has increased by 50% over the baseline figure of 2010 National Accounts, and significant strides have been made in identifying and developing upstream and downstream economic activities in the minerals sector"*

At present, most minerals are exported "in raw form" and most producers have concluded long term contracts for the sale and purchase of Namibian origin minerals. The Lack of a National Mineral Beneficiation Strategy and advanced research in this industry limits the implementation of government policy towards value addition.

The terms of reference for a consultant to develop a minerals beneficiation strategy for Namibia re outlined below.

### **2. Background**

In 2013 the Joint VAC was constituted under the leadership of the Ministry of Mines and Energy (MME) and comprises all stakeholders:

- Ministry of Mines and Energy – PS is Chairperson and several senior staff are members
- Ministry of Trade and Industry, led by the Permanent Secretary
- Ministry of Finance
- Bank of Namibia
- National Planning Commission
- Offshore Development Company
- Epangelo Mining, and
- The Chamber of Mines of Namibia.

VAC contracted independent consultants from Europe, SNL Metals, to conduct an in-depth analysis on the beneficiation possibilities for Namibia's key mineral commodities and identify opportunities for local value addition and further beneficiation of minerals to a refined product and eventually into first-and end-user products.

### **3.Objective**

The main purpose of the consultancy is to develop a National Mineral Beneficiation Strategy to ensure that minerals are beneficiated locally to contribute to industrialisation and manufacturing industry. Furthermore, the Strategy must cover both downstream, upstream and side stream beneficiation and clearly specify Namibia's comparative advantage.

The upstream strategies will promote local industries in the supply of capital goods, mining inputs and services to the mining industry and thereby contribute to import substitution and enhance deeper integration of the mining industry with other sectors of the economy.

### **4.Scope of Consultancy**

- 1) Inception report outlining an understanding of the Terms of Reference and clear methodology, **one week** after commencement of the consultancy;
- 2) Prepare and present to Joint Value Addition Committee (JVAC) a comprehensive situational analysis report on policy environment on mineral beneficiation and existing strategy
- 3) Review relevant national policies and ascertain whether these are supportive of the industrialisation agenda. These policies include those relating to the minerals policy, nuclear fuel cycle, macro-economic policy, trade, investment, infrastructure, skills development, Growth at Home Strategy, NDP4, etc.
- 4) Identify various national stakeholders (public and private investment, and delineate the roles in the industrialization process;
- 5) Identify gaps in the market and the current mining industries in Namibia with regards to mineral resources used during the mining activities, beneficiation processes and for which there could be a breakthrough for Namibia's mining and mineral resources products.

- 6) Draft the strategies that needs to be undertaken to increase upstream value addition;
- 7) Facilitate national consultations with all key stakeholders including the public sector, private sector, the academia, non-state actors on matters affecting industrialisation, in particular beneficiation and value addition to mineral resources, and identify key strategic issues that should be included in the Mineral Beneficiation Strategy.
- 8) Develop glossary of acceptable definitions on manufacturing, value addition and mineral beneficiation;
- 8) compilation of a comprehensive report on consultations documenting stakeholder's views and aspirations.

## **5. Key Deliverables**

The consultant is expected to produce the following deliverables:

Draft Mineral Beneficiation Strategy as a road map for value addition to minerals produced in Namibia.

## **6. Qualification, Experience and Skills**

The consultant must be a highly knowledgeable on mineral beneficiation policy and strategy in southern Africa

He/she must have solid understanding of the minerals sector in NAMIBIA, well versed with macroeconomic policies and developmental issues. In addition, the consultant should possess the following skills and competencies:

- Broad knowledge and understanding of key developmental issues Namibia;
- Mining sector
- Understanding of the minerals beneficiation sector in Southern Africa in general
- Sound understanding and application of policy concepts,
- Good analytical and report writing skills;
- Fluent in spoken and written English;
- Good communication and facilitation skills;
- Good interpersonal skills; and

## **7. Timing and Duration**

The assignment is estimated to commence in the middle of October 2016, and to be completed within a period of 3 months.

## **8. Reporting Arrangements**

The consultant will report to the JVAC Secretariat through the Permanent Secretary of the Ministry of Mines and Energy.

## **9. Monitoring and Progress controls**

The Consultant will work under the overall supervision of the Joint Value Addition Committee.

- The work programme will start with an initial briefing session by the JVAC and the work plan will be developed during this briefing.
- The Consultant will have monthly briefings with JVAC to report progress.

## **10. Financials**

JVAC proposes the following financial schedule; however, the Consultant may wish to present an alternative that must be fully motivated for consideration:

- 1) 20% down payment upon signature and acceptance of work program at briefing meeting;
- 2) 60% for submission of draft Minerals Beneficiation Policy and Strategy
- 3) 20% final payment on completion of Minerals Beneficiation Strategy and the Committee is adequately satisfied.
- 4) The Consultant must indicate the cost of the three months' consultancy and the payment schedule which must be submitted as a separate envelope to the technical proposal. In addition, the consultant must clearly indicate the daily rates for any unforeseen additional work as provided if any.

## **Annexure A:**

### **SELECTION CRITERIA:**

#### **DEVELOPMENT OF MINERALS BENEFICIATION STRATEGY FOR NAMIBIA**

The bidders will be selected according to the following criteria:

- a) **Relevant Experience** - Previous experience of the bidder in relation to the fields of expertise required to achieve the intended outcomes of the project.
- b) **Technical Skills** - The competence of key management, professional and technical personnel that the bidder proposes to employ on the project with particular emphasis on the skills and experience in technical areas comparable to the project.
- c) **Methodology** - The procedures or innovative methods the bidder proposes to use to achieve the specified end results, or the special processes detailed in tender documents. The bidder should be able to demonstrate its capability to bring the contract to a satisfactory conclusion by describing the methodology of approach to accomplish the project's required outcomes.
- d) **Joint Ventures** – The formation of business arrangements between foreign based consultants and Namibian entities. To enable Namibians, who may be insufficiently qualified on their own, foreign based consultants are encouraged to form joint ventures with Namibian entities.
- e) **Price** – The total sum that the Ministry would be required to pay to the bidder for the consultancy work to be provided.