

German - Mongolian Technical cooperation
BGR - MMHI Project “Advisory Services for Sustainable Mineral Resources Management”
PN: 2020.2036.0

23.05.2024

Request for Proposal

Within the framework of the German-Mongolian Technical Cooperation, the project “Advisory Services for Sustainable Mineral Resources Management” is jointly implemented by the Ministry of Mining and Heavy Industry (MMHI) and the German Federal Institute for Geosciences and Natural Resources (BGR), as well as the Mineral Resources and Petroleum Authority of Mongolia (MRPAM) and the National Geological Survey (NGS). MMHI and the BGR-project, as the client, intend to award a contract for the preparation of

“DEVELOPMENT OF A METHODOLOGY FRAMEWORK TO GUIDE THE ASSESSMENT OF THE SOCIAL AND ECONOMY IMPACTS OF GEOLOGY AND MINING SECTOR IN MONGOLIA”

Assignment description:

The mineral sector has emerged as Mongolia's primary economic driver over the past three decades, significantly influencing both the economy and society. However, its volatility has also shaped the state economy's growth and decline. While some influence of the mining industry on the national economy can be identified from government databases such as taxes and customs, achieving a thorough comprehension of its overall economic and social impact is challenging. Therefore, it is imperative to develop a clear and structured framework for conducting systematic evaluations. Such evaluations will provide valuable insights into the multifaceted impacts of mining activities on local communities, economies, and the environment. This understanding will inform decision-making processes and guide the formulation of policies that promote sustainable mining practices.

A work area of this project is the development of a methodology framework to guide the assessment of the social and economy impacts of geology and mining sector in Mongolia, endorsed by article 11.1.10 of the Minerals law.

Project reference: Consultation: Development of a methodology framework to guide the assessment of the social and economy impacts of geology and mining sector in Mongolia.

Type of award: Limited tender, restricted to invited companies/experts

Call for tender closing date: 30 June 2024 or 16 June 2024 or 23 June 2024

Consultant profile: Mongolian or international expert or company/NGO with extensive experience in mining, geology environmental or climate change issues and socio-economic assessment; good English and Mongolian language skills are required

Status: Interested short-listed companies and experts are invited to submit a proposal before the above-mentioned closing date.

Contact:

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Mongolia

Terms of References / Request for Proposal

Within the framework of the German-Mongolian Technical Cooperation, the project “Advisory Services for Sustainable Mineral Resources Management” is jointly implemented by the Ministry of Mining and Heavy Industry (MMHI) and the German Federal Institute for Geosciences and Natural Resources (BGR), as well as the Mineral Resources and Petroleum Authority of Mongolia (MRPAM) and the National Geological Survey (NGS). MMHI and the BGR-project, as the client, intend to award a contract for the preparation of

“DEVELOPMENT OF A METHODOLOGY FRAMEWORK TO GUIDE THE ASSESSMENT OF THE SOCIAL AND ECONOMY IMPACTS OF GEOLOGY AND MINING SECTOR IN MONGOLIA”

SECTION 1: INTRODUCTION

The collaborative German-Mongolian technical cooperation project, 'Advisory Services for Sustainable Mineral Resources Management,' supports the Ministry of Mining and Heavy Industry (MMHI) in enhancing its services and regulatory management for the development of a responsible, transparent, and sustainable mining sector. It focuses on three core areas: digital data management, development of instruments and methods, and professional capacity development. This document's Terms of Reference (ToR) concentrate on work area 2, specifically the creation of a methodology to assess the social and economic impact (SEIA) of Mongolia's geology and mining sector.

The mineral sector has emerged as Mongolia's primary economic driver over the past three decades, significantly influencing both the economy and society. However, its volatility has also shaped the state economy's growth and decline. Notably, the sector contributes approximately one third of state budget revenue, 80% of the industrial sector, 89% of total exports, 24% of the total domestic product, and 73% of foreign investment (averaged over the last 12 years), serving as the primary financial source for the state budget.

While some influence of the mining industry on the national economy can be identified from government databases such as taxes and customs, achieving a thorough comprehension of its overall economic and social impact is challenging. The lack of comprehensive national-level research hinders precise assessment, effective communication to the public, long-term stability planning, and management of social impacts.

Initiated by the Ministry of Mining and Heavy Industry and the Mineral Resources and Petroleum Authority, the process to develop a methodology for social and economic impact assessment aligns with Article 11.10 of the Minerals Law (Assessment and conclusion of the impact of mining industry on the country's economy and society).

Under the joint technical cooperation project 'Advisory Services for Sustainable Mineral Resources Management,' MMHI and BGR convened the first Workshop on Socio-economic Assessment Method in 2022. Participants from various government institutions, NGOs, academia, and international organizations engaged in discussions concerning the current status, needs, capacities, and next steps for socio-economic impact assessments. From these discussions emerged the following conclusions and recommendations:

Conclusions:

- Implementing a unified methodology for sector-level impact assessment would enhance measurement standards and facilitate public information dissemination.
- Current socio-economic impact assessments occur only at the project level and lack qualification for national-scale application.
- A large amount of information and data is already being collected from both state and other organizations, which can be utilized for regular assessments involving national and regional stakeholders, conducted using unified methods and criteria, are essential.

Recommendations:

- Establish a multi-stakeholder working group, including government bodies, private sector entities, NGOs, and researchers, to support assessment method development and ensure effective communication and cooperation.
- Organize the development of social and economic assessment methods for the mining sector, engaging stakeholders and facilitating discussion and approval.

In response to these recommendations, MMHI established a joint working group in 2023, comprising members from various government agencies, the private sector, and the BGR project team.

SECTION 2: DATA SHEET

No	Content	Implementation Measures
1.	Title of the assignment	Development of a methodology framework to guide the evaluation of the social and economy impacts of geology and mining sector in Mongolia
2.	Client	German-Mongolian Technical Cooperation Project “Advisory services for a sustainable mineral resources management”, implemented by: German Federal Institute for Geosciences and Natural Resources (BGR) and Ministry for Mining and Heavy Industry (MMHI)
3.	Type of the invitation	Limited tender, restricted to invited companies/experts
4.	Deadline for submission of proposals	29 July 2024
5.	Proposal submission address	Email: jaime.fernandez@bgr.de Or Project office “Advisory services for a sustainable mineral resources management”; MMHI, Room 118 Ministry of Mining and Heavy Industry of Mongolia (MMHI) United Nation’s Street-5/2 Ulaanbaatar-15160 Mongolia
6.	Proposal validity	Proposals must remain valid 60 days after the proposal submission deadline.
7.	Reimbursables and taxes	The quote is not limited, however lowest quote will be preferred. The contract will be based on a lump sum or based on deliverables defined by the contract, covering all expenses of the contractor; there will not be any additional reimbursable expenses (e.g., for travelling or printing). The BGR-project is freed of VAT.

8.	Selection of the winning bidder	The winning bidder will be selected based on the quality of the proposal, experience of the proposed staff and the price. If contract negotiations are not successful, negotiations with the second best evaluated bidder will be initiated.
9.	The proposal evaluation criteria	The technical offer accounts for 50% and the economic offer for 50% of the total score. See section 4.7 and 4.8 in the Terms of Reference below.
10.	The client's inputs	<ul style="list-style-type: none"> - Data and relevant studies concerning the Terms of Reference. - Clarifying, advising and discussing any issues related to the work assignment will be carried out promptly at the time. - Personnel to monitor the progress of completed work, review research reports, and provide comments on a regular basis. - Offer logistic assistance to the consultant (making available contact details of key stakeholders and agencies, forwarding of introductory letter to the relevant agencies for obtaining the required information). - Support for organizing the stakeholder discussion/s - Provide the venue for the discussions by the project
11.	Objective of Consulting Services	To have a proposal for a SEIA methodology framework that „evaluates the socio-economic impacts of the minerals sector“ and considers international best practices, as well as the capacities and existing information in Mongolia for its implementation and monitoring.
12.	Output of the service	A draft SEIA methodology framework to evaluate the socio-economic impacts of the mineral sector in Mongolia
13.	Mandatory (but not limited to) consulting work	See Section 4.
14.	Proposal preparing	Quotation in Mongolian and English language needs to be submitted as stipulated in the instructions for bidders. The price proposal must be in MNT. Proposals need to be signed and submitted as PDF documents. Proposals must be submitted to the proposal submission email-address and received by the client no later than the indicated date.
15.	Reporting phases	See section 4.5

SECTION 3: CONDITIONS

3.1. General

- Consultants shall bear all costs associated with the preparation and submission of their proposals.
- The client reserves the right to annul the selection process at any time prior to the contract award, without thereby occurring any liability to the consultants.
- Consultants can only submit one proposal. If a consultant, or a proposed consultant staff member, participates in more than one proposal, such proposals shall be disqualified.
- The minimum validity of the proposal is indicated in the data sheet. During this period, consultants shall maintain the availability of professional staff nominated in the proposal.

3.2. Language

- Good command of Mongolian and English language of the proposed staff of the consultant is an important asset.
- The proposal needs to be submitted in Mongolian and English language.
- Communication with the client will be in Mongolian and English.

3.3. Requirement for the proposal

- The proposal has to include. Such as:
 - A brief description of the consultant's organization / company (maximum 1 page)
 - Staff members, including their qualifications and specific function in this assignment.
 - A list of relevant projects implemented by the consultant's organization / company concerning tasks which are relevant for this assignment as well.
 - Time schedule/Work plan with breakdown of working hours and costs
- A financial calculation, including:
 - Total net cost of services
 - Total other net costs (supplies, printing, mobilization, etc.)
 - Total of applicable taxes
 - Sum of all cost excluding / including taxes (in Mongolia project is tax exempted)

SECTION 4. TERMS OF REFERENCE

Title of the assignment: "Development of a methodology framework to guide the assessment of the social and economy impacts of geology and mining sector in Mongolia"

Estimated Contract Duration:

8 Months

Start date:

August/2024

End date:

February/2025

Project: German-Mongolian Technical Cooperation Project "Advisory Services for Sustainable Mineral Resources Management"

Name of the Supervisor of Products/Services: Ministry of Mining and Heavy Industry (MMHI), Mineral Resources and Petroleum Agency (MRPAM) and the BGR-project

Place of Work: Close interaction with MMHI staff is expected, so it should be considered that the consulting team or some of its members are present in Ulaanbaatar.

Payment Method: 4 payments upon delivery and acceptance of the products/deliverables by MMHI and BGR-project.

4.1 Background

Evaluating the societal and economic effects of geology and mining is pivotal for fostering sustainable mineral resource management and informing resource policy planning. A systematic approach integrating quantitative and qualitative indicators is essential for a comprehensive assessment. However, a standardized national methodology for impact assessment is currently lacking.

Article 11.1.10 of the Minerals Law, amended in 2014, underscores the need of regular assessment of the social and economic impacts of mining operations is emphasized as a vital instrument for ensuring responsible mining practices.

Therefore, it is imperative to develop a clear and structured framework for conducting systematic evaluations. Such evaluations will provide valuable insights into the multifaceted impacts of mining activities on local communities, economies, and the environment. This understanding will inform decision-making processes and guide the formulation of policies that promote sustainable mining practices.

4.2 Objective

GENERAL OBJECTIVE: To have a proposal for a SEIA methodology framework that „assess and evaluate the socio-economic impacts of the minerals sector“ and considers international best practices, as well as the capacities and existing information in Mongolia for its implementation and monitoring.

SPECIFIC OBJECTIVES:

Objective 1. Conduct an analysis of SEIA methodologies used to evaluate the socio-economic impacts of the mineral sector at the regional or national level in relevant countries. The aim is to identify key elements that can contribute to the development of a SEIA methodology tailored for Mongolia.

Objective 2. Conduct an analysis of existing information, data collection and monitoring systems for public policies relevant to the mining sector (e.g.: environmental, climate change, development, economic, etc.) in Mongolia in order to identify existing capacities, as well as useful information for assessing the impact of the mining sector.

Objective 3. Design an SEIA methodology to guide the evaluation of the socio-economic impacts of the mineral sector that includes existing indicators that are useful for the purposes pursued by the development of this work, or propose new indicators based on available information or that which needs to be generated.

4.3 Responsibilities

1. Propose an SEIA methodology that guides the assessment and evaluation socio-economic impacts of the mineral sector on regional and national level based on the capacities and existing information in Mongolia and international best practices.
2. Maintain close interaction with MMHI staff and SEIA working group members to track progress and receive feedback on them, ensuring the effective and timely fulfillment of project objectives.
3. Complement and/or detail the proposed methodologies for conducting the analyses requested in the activities of the assignment.
4. Participate in all in-person or remote work meetings established for the assignment’s execution according to these Terms of Reference.
5. Adhere to the timeline of activities established in these Terms of Reference.
6. Address in a timely manner all comments provided by MMHI and BGR-project on the delivered products and request their validation.
7. Deliver the established products in a timely manner according to these Terms of Reference.

4.4 Scope of work / Description of activities

In order to achieve the stated objectives, the following activities will be carried out:

# of result	Activity	Expected product / Deliverable
1	1. Develop a detailed work plan for the implementation of the assignment, agreed upon with MMHI and BGR-project	Detailed work plan incorporating the feedback received during the kickoff meeting, and preliminary list of identified international and national organizations to be analyzed.
2	2. Analyze SEIA methodology for the assessment and evaluation socio-economic impacts of the mineral sector on national and regional level implemented e.g. in Canada, United States and/or Canada as well as other countries or international organizations identified as relevant by the consulting team. This analysis will include, but not be limited to, reviewing specialized literature (e.g., government reports and studies, scientific articles) and the websites of	Report compiled: 'International Experiences in SEIA methodologies for the assessment and evaluation socio-economic impacts of the mineral sector' This report should include: <ul style="list-style-type: none"> • The description of the methodology used for the analysis of the systems. • The compact analysis of the systems should consider the following aspects:

	<p>governmental entities and international organizations responsible for the SEIA methodology under review. Additionally, it will involve conducting semi-structured interviews and consultations via email, telephone, and/or video conference with the individuals responsible for the methodology under study and other relevant stakeholders. The interviews and consultations to be conducted will be agreed upon in advance with BGR and MMHI.</p>	<ul style="list-style-type: none"> ○ the differences and similarities between the reviewed indicator systems; ○ the advantages and disadvantages of the reviewed systems from the perspective of the mandate and capabilities of the MMHI; and ○ considerations for the design and operation of the indicator system for national climate change policy. <ul style="list-style-type: none"> ● The completed descriptive sheets (included as an annex in the report).
3	<p>3. Analyze the information and monitoring systems for public policies relevant to the mining sector (e.g.: environmental, climate change, development, economic, social etc.), existing in Mongolia.</p> <p>Among the information systems to be analyzed, the following will be included:</p> <ul style="list-style-type: none"> ● 1212.mn - Statistics ● eMongolia ● CMCS ● GMIS ● EITI ● Customs ● MET ● Labor & Health institutions ● ...etc. <p>The review and analysis of these systems will include, but not be limited to, consulting available online systems, reviewing specialized literature (e.g., government reports and studies, scientific articles), and examining the websites of institutions and organizations operating these systems. Additionally, it will involve conducting semi-structured interviews and consultations with the individuals responsible for the systems under study, which may be conducted in-person or through electronic means (email, telephone, and/or video conference). In all cases, the interviews and consultations to be conducted will be agreed upon in advance with MMHI.</p> <p>4. Presentation and discussion of results with working group</p>	<ul style="list-style-type: none"> - Report compiled: 'Existing Capacities and Information in Mongolia for the Development and/or Use of Indicators to assess and evaluate the socio-economic impacts of the mineral sector' <p>This report should include:</p> <ul style="list-style-type: none"> ● The description of the methodology used for the analysis of the existing systems in Mongolia. ● A comprehensive analysis of the reviewed systems (30-40 pages), which includes: <ul style="list-style-type: none"> ○ the information that can be used to develop indicators for monitoring social and economic impacts of the mining sector; ○ existing indicators that can contribute to monitoring social and economic impacts of the mining sector; ○ the accessibility of this information and indicators; ○ opportunities and challenges for creating synergies with the agencies that generate them; ○ identified information gaps; and ○ other considerations for the use of the information and indicators identified as useful. ○ The completed descriptive sheets (included as an annex in the report). <ul style="list-style-type: none"> - Presentation of results to WG - Documentation on the WG and stakeholder discussion workshops
4	<p>5. Develop a proposal for an SEIA methodology for the assessment and evaluation of socio-economic impacts of the mineral sector, using the outputs of the previous activities as inputs.</p> <p>6. Presentation and discussion of results with working group</p>	<ul style="list-style-type: none"> - Report compiled: 'Proposal for the SEIA methodology to assess and evaluate the socio-economic impacts of the mineral sector in Mongolia' - Presentation of final report to working group / Documentation on the WG and stakeholder discussion workshop

All documents shall be in both English and Mongolian language and handed in in digital format (word, pdf and ppt or excel respectively).

4.5 Preliminary schedule for project development

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8
Develop a detailed work plan.								
Analyze SEIA methodologies for the assessment and evaluation socio-economic impacts of the mineral sector in Canada, XX, XX and other relevant cases.								
Analyze the information and monitoring systems for public policies relevant to the mining sector existing in Mongolia.								
Develop a proposal for an SEIA methodology to assess and evaluate the socio-economic impacts of the mineral sector in Mongolia.								
Addressing comments, integrating the final report, and assignment closure.								

The assignment is scheduled for completion over a 8-month period, starting from August 2024 to March 2025.

4.6 Experience and qualification required

From the company

The consulting firm must provide evidence of having completed at least two projects or studies related to socio-economic impact assessments or indicator systems for monitoring public policies, preferably in the mining, geology, environmental, or climate change sectors, with scopes similar to the present project.

From the consulting team

The consulting firm must propose a consulting team comprised of at least three individuals with the following profiles:

General Project Coordinator – Team leader

- Hold a minimum academic degree of Master's in social sciences, economics, business administration, or engineering.
- Demonstrable experience of at least 8 years in the field of research or consulting for the public or private sector, in public policy on mining, geology, environmental or climate change issues, and/or in the development and analysis of evaluation frameworks similar in scope to the present one.
- Proven experience in the development of 2 projects of similar magnitude and relevance to the present one, where, in at least one, the individual has served as the overall coordinator of said project.
- Very good Mongolian and English language skills

Consultant Expert in Geology/Mining

- Hold a minimum academic degree at the undergraduate level in geology, mining, geography physics, chemistry, chemical engineering or related subjects.
- Demonstrated experience, through CV, of at least 4 years in the design, implementation, and/or monitoring of mining, geology, environmental or climate change policies, or in scientific research in the field or equivalent or comparable subjects.
- Demonstrated experience, through CV, of participation in at least 2 similar projects.
- Very good Mongolian and English language skills

Consultant Expert in metrics and indicators

- a. Hold a minimum academic degree at the undergraduate level in economics, public administration, mathematics, or related subjects.
- b. Demonstrated experience, through CV, of at least 4 years in the design and/or monitoring of indicators for tracking public policies, programs, or projects, preferably in mining, geology, environmental or climate change matters
- c. Demonstrated experience, through CV, of participation in at least 2 similar projects.
- d. Very good Mongolian and English language skills

4.7 Evaluation of Proposals. Award criteria and Weighting.

Selection criterion: cumulative analysis. The contract will be awarded to the entity that achieves the best technical-economic combination. The technical offer accounts for 50% and the economic offer for 50% of the total score.

The following award criteria are established:

No.	Main Criterion	Weighting (%)	Proof by
1	Price	50	Financial Proposal
2	Performance	50	Submission of a Technical Proposal

The following performance-related evaluation criteria are established:

No.	Criterion	Points	Weighting (%)	Required Proof for Evaluation
1	The submitted proposal is clear, has theoretical and practical solidity, reflects a complete understanding of the scope and objectives of the assignment, and identifies challenges and opportunities to meet them in a timely and proper manner based on the experience of the consulting team. Additionally, it includes further contributions to improve or complement the requested deliverables.	0-3	50	w
2	Methodology for the targeted evaluation of the collected information according to the description's objectives of the assignment with approaches for building a SEIA methodology framework to evaluate the socio-economic impacts of the mineral sector in Mongolia	0-3	50	Technical Proposal

The evaluation criteria are assessed on a scale of 0 to 3 points:

- 3 points: Good presentation or response to the ToR, fully meeting the client's expectations in all points.
- 2 points: Satisfactory, average presentation or response to the ToR, meeting the client's requirements in the main points.
- 1 point: Poor presentation or response to the ToR's requirements, inadequately addressing important aspects.
- 0 points: Inadequate, non-comprehensible presentation or response to the ToR's requirements.

The points are awarded based on the degree of fulfillment or achievement demonstrated by the bidder in the offer concerning the requirements and objectives outlined in the ToR.

The technical offer accounts for 50% and the economic offer for 50% of the total score. Only proposals that achieve 700 out of the 1000 points available in the technical evaluation will be considered for economic analysis.

In the technical evaluation, preference will be given to proposals that include the best approach to meet the objectives of this project in a timely and proper manner.

The calculation method for each item will be as follows:

Score = % obtained * Number of available points

A maximum of 1000 points will be assigned to each proposal according to the evaluation criteria presented in the following table:"

4.8 Determination of the most economically advantageous proposal

Once the technical proposal has been evaluated, the most economically advantageous proposal is determined by comparing the values of the performance-price ratio of the proposals.

$$Z = \frac{L}{P}$$

where the parameters are defined as follows:

Z: Indicator for the performance-price ratio

L: Total performance points (evaluation points * weighting)

P: Offer price according to the Financial Proposal

The contract will be awarded to the proposal with the highest Z value. If the formed indicator for the performance-price ratio (Z) of different offers is absolutely identical, the most economical offer will be awarded the contract.

4.9 Rights of use and Confidentiality

The results of the study and the information obtained in connection with the performance of the study and their interpretations shall be the property of the Client. The Contractor shall hand over interim results and written documents to the Client after fulfillment of the order and will not pass this information on to third parties, either orally or in writing.