

Terms of reference (ToR) for the procurement of services below the EU threshold

CONFIDENTIAL

Study on Good Practices and Lessons Learned in Local Supplier Programs for Critical Minerals Mining: An International Comparative Analysis

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0. List of abbreviations

AVB	General Terms and Conditions of Contract for supplying services and work
BMZ	German Federal Ministry for Economic Cooperation and Development
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
LAC	Latin America and the Caribbean
PPT	PowerPoint (required format for result presentations)
ToRs	Terms of reference

1. Context

This study is commissioned under the MinJust Project (Minerals for a Just Transition in Latin America and the Caribbean), an initiative implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Union. The project's central objective is to ensure that the extraction of critical raw materials in Latin America and the Caribbean (LAC) aligns with a "Just Transition." This is defined as a comprehensive economic, socio-ecological, and globally equitable transformation.

The MinJust project identifies minerals as "critical" for the energy transition and electromobility based on three specific criteria:

1. **Official Lists:** Inclusion in the critical and strategic raw materials lists of the European Union and Germany.
2. **Technological Relevance:** Status as essential components for technologies linked to the energy transition and electromobility.
3. **Regional Importance:** Significant existing production levels or high geological potential within LAC countries.

Examples of critical minerals within this scope include lithium, copper, natural graphite, rare earths, nickel, cobalt, and bauxite (aluminium), among others.

The growing global demand for critical minerals, driven by the energy transition, the electrification of transport, the development of clean technologies, and the digitalization of the economy, positions mining as a strategic sector at the global level. In this context, supply chain security and the generation of local value added have become key priorities for governments, companies, and international organizations.

Regional experience shows that the effective integration of local suppliers into mining value chains does not happen on its own. Factors such as limited productive diversification, technological gaps, restricted access to financing, lack of information, weak public–private coordination, and limited buyer-side competition in local procurement markets have constrained the impact of numerous programs aimed at developing local suppliers.

At the international level, countries with well-established mining sectors, such as Australia, Canada, and some Member States of the European Union, have implemented advanced models for managing local suppliers, combining public policies, market incentives, and active private sector participation. A comparative analysis of these experiences offers valuable lessons for the Latin American context, particularly in the field of critical minerals.

In analysing local supplier programs, it is essential to distinguish between: (i) initiatives aimed at **facilitating the participation of existing local suppliers** in mining supply chains, and (ii) initiatives focused on the **development, strengthening, and scaling up of suppliers**, including the assessment of existing capabilities and, where appropriate, the creation of new suppliers. Both dimensions are complementary, but they differ in terms of instruments, timelines, risks, and expected outcomes, particularly regarding the **generation of local value added and upstream linkages**.

2. Tasks to be performed by the contractor

2.1 Study Objective

The general objective of the study is to identify, analyse and systematize policies, instruments and initiatives aimed at participation, development and scaling of local suppliers in the mining of critical minerals.

The study will evaluate the type of providers and the institutional, market and territorial conditions, as well as their effective contribution to the generation of local added value and the advancement of activities of greater complexity at the top, and their degree of adaptability to the context of Latin America and the Caribbean.

The contractor is responsible for providing the following services:

- Analyse public and private development experiences of local providers in Latin America.
- Contrast these experiences with relevant cases in Europe, Australia or Canada.
- Identify enabling conditions, structural barriers and risks associated with the implementation of local provider programs.
- Generate design-oriented strategic and operational recommendations, strengthening the adjustment of policies and programs in the region.
- Identify concrete instruments (regulatory, contractual, financial and programmatic) used to promote the participation and development of local suppliers in the mining of critical minerals.
- Analyse for what type of providers (according to size, technological level and role in the value chain) which instruments are effective or present limitations.
- Evaluate at which stages of the mining value chain the analysed instruments allow capturing greater added value at the top.
- Identify the minimum enabling conditions, the main obstacles and the critical bottlenecks that affect the effectiveness of these programs in Latin America and the Caribbean.

2.2 Scope of Work

2.2.1 Universe of analysis

The study will encompass a representative set of experiences related to participation, development and scaling of local suppliers in critical mineral mining, including, but not limited to, the following:

- Programs promoted by national and subnational governments.
- Corporate strategies of mining companies
- Initiatives of business associations and productive clusters.
- Public-private alliances and programs supported by international organizations.

The analysis will consider both successful experiences and cases in which the results did not meet initial expectations, to identify achieved results, limitations, risks and relevant lessons. The methodology for case selection shall be revised and approved by the GIZ technical counterparts.

As far as possible, the Consultant will have contact with national and international groups or institutions that can facilitate access and legitimacy of dialogue with companies, which can

speed up the process and validate it. If it is not necessary to approach a national or international association or institution and have direct access to companies or other actors related to the topic, the Consultant must maintain confidentiality regarding sensitive information shared during the execution of the consultancy.

2.2.2 Type of local providers

The study will incorporate an explicit typology of local providers, which will be used systematically throughout the analysis, differentiating at least as follows:

- Company size (micro, small, medium and large).
- Level of technological sophistication.
- Role in the value chain (operational, specialized, technological or industrial service providers).
- Degree of dependence on the mining sector (high, medium or low), considering concentration of sales, technical specialization, and capacity for productive and market diversification.

This typology will allow us to evaluate the effectiveness, limitations and risks of the different instruments and initiatives analysed for different types of providers.

If the success or failure of a particular initiative hinged on other characteristics, these must be identified. The contracting party will propose a typology that shall be validated by the GIZ technical counterpart(s). The GIZ technical counterpart(s) shall also validate the specific metrics for the characterization of the local providers.

2.2.3 Type of instruments and implementing actors

The analysis will explicitly distinguish between the different types of instruments used to promote participation, development and scaling of local providers, including, at least:

- Regulatory instruments and instruments that in practice condition or strongly guide the behaviour of companies without having a legal character.
- Contracting and purchasing instruments (understood as mechanisms through which mining companies structure and access local providers to the value chain, such as bidding processes, pre-qualification requirements, framework contracts, technical standards and contractual relationship modalities).
- Financial instruments.
- Trade policy instruments.
- Instruments for developing capabilities, innovation and technological transfer.
- Articulation, coordination, and governance instruments.
- Instruments that strengthen state capacity and sectoral public goods provision.

Accordingly, the study will identify the actors responsible for the design, financing and implementation of different instruments (State, mining companies, trade associations, specialized intermediaries or others), evaluating how the different instrument–actor configurations influence the results obtained.

The GIZ technical team shall validate the list of instruments and their classification.

2.2.4 Differentiation of intervention agendas

The study will analytically differentiate between:

- Instruments aimed at the participation of existing local providers in mining supply chains; and
- Instruments aimed at development, scaling and sophistication of providers, evaluating their differentiated effects in terms of generating added value, capturing high-water value and sustaining results over time.

2.2.5 Analysis dimensions

The selected experiences will be analysed based on the following dimensions:

- **Governance and institutional articulation:** Institutional frameworks, roles and public-private coordination mechanisms that facilitate limiting the development of local providers.
- **Public policy instruments:** Regulatory, programmatic and incentive instruments used to promote participation and strengthening of local providers, as well as their coherence and effectiveness.
- **Contracting and linkage mechanisms with the mining industry:** Contracting modalities, access requirements, selection processes and relationships between mining companies and local providers, identifying barriers and facilitators.
- **Financing and access to resources:** Sources and financing mechanisms available to local providers, their adaptation to the different stages of business development and their contribution to the sustainability of initiatives.
- **Development of capabilities and innovation:** Strategies for strengthening technical, productive and management capabilities, as well as incorporating innovation, technology and standards required by the mining of critical minerals.
- **Sustainability and scalability:** Factors that affect the continuity, scaling and replicability of analysed experiences, including economic, institutional and territorial aspects.
- **Results and economic and social effects:** Main results observed in terms of business performance, productive chains, employment and territorial effects, highlighting conditions of success and causes of limited performance. These results shall be characterized by whether they arise from a proper impact evaluation or other types of analysis.
- **Role of implementing actors:** Analysis of how functions are distributed and coordinated between the public sector, mining companies, trade associations and other intermediaries in the implementation of different instruments and how this distribution influences the results obtained.

2.2.6 Combinations and sequences of instruments

The analysis will consider individual instruments on the ground, as well as combinations and sequences of intervention (for example, local purchases, financing, capacity development, standards and regulation), evaluating how these interactions influence the results obtained.

Special attention will be paid to intervention sequences (entry, escalation, sophistication and diversification) relevant to the contexts of Latin America and the Caribbean.

2.2.7 Transferability and adaptability to Latin America and the Caribbean

For each international experience analysed, the study will explicitly evaluate its **transferability and adaptability** to the context of Latin America and the Caribbean, identifying: (i) minimum institutional requirements; (ii) necessary state capabilities; (iii) implementation risks; and (iv) required regulatory, fiscal or governance adjustments. Accordingly, elements will be identified

that do not result in transferable without structural transformations, understood as profound changes in the productive structure, the institutional framework, state capabilities, the market environment or the governance of the mining sector, which exceed the scope of short-term programmatic or regulatory adjustments.

2.3 Deliverables

In addition to the reports required by GIZ in accordance with the AVB, the contractor submits the following reports:

- Inception report (includes a methodological document and work plan).
- Brief monthly reports on the implementation status of the project.
- Interim report (includes initial diagnosis and details of interviews conducted).
- Final Report (including an executive summary).
- Public version for dissemination.
- Presentation in PowerPoint (PPT) format that summarizes the main ideas, conclusions, and recommendations of the public version study.
- Database of sources and interviews.

Consider that it is expected to have a comprehensive diagnosis that synthesizes the main challenges derived from documentary analysis and fieldwork. This diagnosis should identify common employers, structural gaps and opportunities for improvement in the analysed local provider programs. The analysis must identify the market failure(s) that the experiences/initiatives/instruments tried to address and determine to what degree they were (un)successful and why. In addition, the effectiveness of the instruments shall be classified by the strength of the evidence, clearly separating causal evidence with proper impact evaluation from qualitative analysis and before/after comparisons.

Accordingly, the consultancy must be focused on producing recommendations aimed at different target audiences, including public sector decision makers, mining companies, local providers and cooperation bodies. Products must present results in a clear, technically rigorous and oriented way to support decision making.

In addition to the narrative sections, the **final report** must incorporate practical tools, such as:

- A **comparative matrix of instruments and initiatives**, organized according to type of provider and results obtained.
- A **prioritized synthesis of enabling conditions and critical bottle cells** for Latin America and the Caribbean; and
- **Differentiated guidance** for decision makers, mining companies and local providers.

The analysis of results must consider, among other aspects: the effective increase in local content, the financial sustainability of suppliers, the development of technological capabilities, the greater productive diversification of the mining sector and resilience in the face of commodity price cycles. Accordingly, the study must identify **relevant trade-offs**, such as efficiency versus inclusion, short versus long-term, and competitiveness versus protection.

The comparative matrix of instruments and initiatives, constructed and used as part of the analysis methodology, must identify, for each case analysed: the instruments used, the implementing actors, the type of objective provider, the results obtained, the enabling conditions, the main obstacles and the degree of transferability in the context of Latin America and the Caribbean.

During the period of validity of the contract, certain milestones must be achieved, as set out in the following table:

Milestone Number	Milestones/partial works	Deadline	Criteria for acceptance
1	Inception report (includes a methodological document and work plan).	Until 29/11/26	Methodological document should contain a clear explanation of the methods that will be employed, data requirements, assumptions that will need to be made, and an analysis of the method's strengths and weaknesses. The work plan should be detailed enough containing a Gantt chart and contingency actions if methodological requirements are not met.
2	Interim report (includes initial diagnosis and details of interviews conducted).	Until 27/01/27	- The initial diagnosis must contain the preliminary conclusions of the desk research encompassing at least 3 programmes in 2 different countries and 2 different minerals. - Interviews conducted should be provided in a data base that is machine readable and structured in a way that allows for a statistical meta-analysis.
3	Final report	Until 30/04/27	Includes tools for comparative analysis and recommendations, executive summary, public report for dissemination and presentation of results.

Period of assignment: from Beginning of November 2026 to 30/04/2027.

3. Concept

In the tender, the tenderer is required to show *how* the objectives defined in Chapter 2 (Tasks to be performed) are to be achieved, if applicable under consideration of further method-related requirements (technical-methodological concept). In addition, the tenderer must describe the project management system for service provision.

Note: The numbers in parentheses correspond to the lines of the technical assessment grid.

Technical-methodological conception

Strategy (1.1): The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1 Context) (1.1.1). Following this, the tenderer presents and justifies the explicit strategy with which it intends to provide the services for which it is responsible (see Chapter 2 Tasks to be performed) (1.1.2).

The tenderer is required to present the actors relevant for the services for which it is responsible and describe the **cooperation (1.2)** with them.

The tenderer is required to present and explain its approach to **steering** the measures with the project partners (1.3.1) and its contribution to the **results-based monitoring system (1.3.2)**.

The tenderer is required to describe the key **processes** for the services for which it is responsible and create an **operational plan** or schedule (1.4.1) that describes how the services according to Chapter 2 (Tasks to be performed by the contractor) are to be provided.

The tenderer is required to describe its contribution to knowledge management for the partner (1.5.1) and GIZ and to promote scaling-up effects (1.5.2) under **learning and innovation**.

Project management of the contractor (1.6)

The tenderer is required to explain its **approach for coordination with the GIZ project**. In particular, the project management requirements specified in Chapter 2 (Tasks to be performed by the contractor) must be explained in detail (1.6.1).

The tenderer is required to draw up a **personnel assignment plan** with explanatory notes that lists all the experts proposed in the tender; the plan includes information on assignment dates (duration and expert days) and locations of the individual members of the team complete with the allocation of work steps as set out in the schedule (1.6.2).

4. Personnel concept

The tenderer is required to provide personnel who are suited to filling the positions described, on the basis of their CVs (see Chapter 7), the range of tasks involved and the required qualifications.

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

Team leader

Tasks of the team leader

- Overall responsibility for the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ, partners and others involved in the project
- Personnel management, in particular identifying the need for short-term assignments within the available budget, as well as planning and steering assignments and supporting local and international short-term experts.
- Methodological supervision and technical validation of intermediate and final deliverables
- Final consolidation of the report and ensuring consistency between sectoral and comparative chapters.
- Regular reporting in accordance with deadlines.

Qualifications of the team leader

- Education/training (2.1.1): master's degree or equivalent in Economics, Public Policy, Industrial Engineering, or disciplines related to productive development and the extractive sector.
- Language (2.1.2): C1-level language proficiency in English and B2-level language proficiency in Spanish. Both languages will be equally weighted.
- General professional experience (2.1.3): 10 years of experience in productive development, mining, value chains, and public policy.
- Specific professional experience (2.1.4): 8 years conducting international comparative studies and formulating public policy recommendations related to the mining sector and local suppliers.
- Leadership/management experience (2.1.5): 7 years of experience leading multidisciplinary teams and managing projects, or as an executive in companies.
- Regional experience (2.1.6): 10 years of experience in projects in Latin America, including work experience in countries with significant mining sectors (Chile, Peru, Mexico, for example).
- Other (2.1.8): B1-level language proficiency in Portuguese.

Key expert 1 (Mining Specialist)

Tasks of key expert 1

- Analyse operational models and mechanisms of supplier development programs in the mining sector, including selection criteria, scaling, certification, and supplier financing.
- Identify best technical practices in local procurement, technology transfer, and business capacity building.
- Provide sector-specific technical input on critical minerals, supply chains, and mining industry requirements.
- Evaluate the collaboration between mining companies, local suppliers, and public stakeholders from an operational and implementation perspective.
- Contribute to identifying lessons learned and critical success factors from industry practice.
- Support the formulation of technical recommendations for the design or improvement of local supplier programs in the mining sector.
- Evaluate the operational feasibility and institutional requirements for replicating the analysed instruments in Latin America and the Caribbean.

Qualifications of key expert 1

- Education/training (2.2.1): Undergraduate degree in mining engineering, industrial engineering, geology, mining economics, or related disciplines.
- Language (2.2.2): C1-level language proficiency in English and B1-level language proficiency in Spanish. Both languages will be equally weighted.
- General professional experience (2.2.3): 7 years of professional experience in the mining and/or production development sector.
- Specific professional experience (2.2.4): 6 years in the design, implementation, or evaluation of local supplier development programs, production chains, and local procurement in the mining sector, including direct interaction with mining companies or suppliers.
- Regional experience (2.2.6): 5 years of experience in projects in Latin America, 2 years in Chile or Peru, with applied knowledge of international experiences in Canada and Australia through technical studies, cooperation, or exchange of best practices.

- Other (2.2.8): B1-level language proficiency in Portuguese.

Key expert 2 (Senior Researcher)

Tasks of key expert 2

- Design and implement qualitative research methodology and international comparative analysis for the study.
- Analyse international experiences (Latin America, Europe, Australia, and/or Canada) in local supplier programs related to critical mineral mining.
- Systemize best practices, institutional approaches, and public policy frameworks based on case studies.
- Develop comparative matrices and cross-sectional analyses of instruments, actors, governance, and outcomes.
- Contribute to the drafting of the analytical chapters of the final report and the formulation of evidence-based conclusions.
- Support the validation of findings and recommendations from an academic and comparative perspective.
- Evaluate the observable results and impacts of the analysed programs, distinguishing between increased local procurement and productive development.

Qualifications of key expert 2

- Education (2.3.1): master's degree or equivalent in social sciences, Economics, Law, International Relations, or related disciplines.
- Language (2.3.2): C1-level language proficiency in English and B1-level language proficiency in Spanish. Both languages will be equally weighted.
- General professional experience (2.3.3): 10 years of experience in applied research, qualitative analysis, and international comparative studies.
- Specific professional experience (2.3.4): 7 years in qualitative research, public policy analysis, and international benchmarking in industrial, trade, and investment policy.
- Regional experience (2.3.6): 8 years of experience in projects in Latin America, and 3 years of academic or applied work related to Europe, Canada, or Australia.
- Other (2.3.8): Experience in understanding the empirical challenges of evaluating the effectiveness of local supplier programs, demonstrable through references to 2 previous projects or publications that tackled these issues.

Soft skills of team members

In addition to their specialist qualifications, the following qualifications are required of team members:

- Team skills
- Initiative
- Communication skills
- Socio-cultural skills
- Efficient, partner- and client-focused working methods
- Interdisciplinary thinking

The bidding party must assign all short-term mission experts to the corresponding qualifications and present the information clearly.

5. Costing requirements

Assignment of personnel:

The following basic calculations for the contract for works are a reference value based on the acceptance criteria for each partial work/milestone specified in Chapter 2 (Tasks to be performed by the contractor).

Since the contract to be concluded is a contract for works, we would ask you to offer your services at a lump sum price.

In addition, the assessment of the financial bid is also based on the underlying daily rate. Please also provide the underlying daily rate. A breakdown of days is not required.

Milestone Number	Milestone Description	Estimated expert days for orientation	Deadline
1	Inception report (includes a methodological document and work plan).	25	29/11/2026
2	Interim report (includes initial diagnosis and details of interviews conducted).	50	27/01/2027
3	Final report (includes tools for comparative analysis and recommendations, executive summary, public report for dissemination and presentation of results).	75	30/04/2027

6. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToR. In particular, the detailed structure of the concept (Chapter 3) should be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in Spanish or English.

The complete tender must not exceed 10 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the format specified in the terms and conditions for application. **The CVs shall not exceed 4 pages each.** They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in English.

As the contract to be concluded is a contract for works, please offer a fixed lump sum price that covers all relevant costs (fees, travel expenses etc.). The price bid will be evaluated on the basis of the specified lump sum price. In addition, please also provide the underlying daily rate. A breakdown of days is not required.