

Terms of Reference
for
Assessment of the Resource Revenue Sharing in Inhassoro and Montepuez in
Mozambique

1. Background

The Government of Mozambique (GoM) has passed two laws (Laws 11/2007 and 12/2007, currently the Laws 20/2014 and 21/2014, the mining and petroleum laws respectively) mandating a certain (but undetermined) percentage of the royalties from mining and petroleum to be channeled to community development in the areas where the projects are being implemented. As pilot and based on the above laws, GoM decided to implement in its 2013 budget, the principle of revenue sharing with resource-rich regions, allocating 2.75 percent of the royalties generated by mining and petroleum to seven localities in three resource-rich provinces: Topito (Moma district) in Nampula Province; Cateme, 25 de Setembro, Benga and Chipanda II (Moatize district) in Tete Province; and Pande and Maimelane (Govuro district) in Inhambane Province. The percentage of revenue sharing is planned to continue be allocated through the national budget according to revenue projections for the mining and petroleum sectors.

The allocation of 2.75 percent of the royalties generated by mining and petroleum to resource-rich areas is expected to produce significant benefits to the local communities by enabling local governments to address key community-development challenges. Despite the recognition of the relevance of the revenue sharing to promote economic and social development to citizens in resource rich areas, the key question has been **on how effective this resource sharing policy has been implemented to date**. The international experience has shown binding constraints on resource revenue sharing, which derive from shortcomings on the policy and institutional setting as well as the implementation *per se*.

2. Objective of the Consultancy

The overall objective of this assessment is **to obtain a better understanding on the policy and institutional setting for resource revenue sharing as well as progress and challenges to date on its implementation**. The consultant shall produce a report to inform the government, private sector, and civil society on the effectiveness of implementation of the resource revenue sharing policy. The report shall provide options to overcome potential challenges to be identified through the assessment.



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3. Scope of Work/Methodology

The work will be centered on the review/study of the 6th EITI report and to compare the findings from 5th EITI report which was already reviewed in 2016 and disseminate the findings derived from both reports. In addition, it will be disseminated jointly the report of resource revenue sharing which were completed early last year.

4. Deliverables/Expected Outputs

The assessment should be based on literature review on natural resources and local governance with special focus on resource revenue sharing at the subnational levels. To complement the literature review, the consultant shall develop and implement interviews and participatory focus group discussions with key government counterparts and other stakeholders. The interviews and participatory focus group discussions shall take place in the districts of Inhassoro and Montepuez and they shall involve the relevant local stakeholders.

5. Duration and Timing

In order to deliver the above mentioned expected outputs, the Consultant will need 30 days, from the date he/she signs the contract with WWF MCO.

6. Logistical Support

WWF Mozambique will provide the whole logistical arrangement and will pay the professional fees based on the financial proposal to be submitted to WWF MCO.

7. Assignment Work Station

The work station of the assignment will be in Maputo for desk review and in Inhambane and Cabo Delgado Provinces.

8. Eligibility/Qualification of Consultants

To undertake the aforementioned tasks, WWF is looking to contract a senior consultant (individual or company) to undertake the assessment of the Resource Revenues sharing in Inhassoro and Montepuez. The consultant should have extensive experience (minimal 5 years) on governance of the extractive industries including experience on resource revenue sharing and management.