

Terms of Reference: company benefits outcome study

The Extractive Industries Transparency Initiative (EITI) seeks a competent and credible consultant or team of consultants to undertake research exploring and documenting the benefits accrued by companies that support or participate in the EITI at the global and national levels. The project has a maximum budget of USD 20,000. Potential consultants are invited to submit technical and financial proposals, including methodological approaches to achieve the research objectives, by close of Friday 15 July 2022.

1. Objective

This research consultancy will aim to identify and document the benefits that companies gain through supporting and participating in the EITI.

Secondarily, this research will identify, assess and document variations in how these benefits are viewed by different types of supporting companies, and in regard to different types of EITI support and participation.

2. Background:

The EITI's mission is to promote understanding of natural resource management, strengthen public and corporate governance and accountability, and provide the data to inform policymaking and multi-stakeholder dialogue in the extractive sector. Through participation in the EITI, more than 55 countries have agreed to a common set of rules governing disclosures in the sector – the EITI Standard. In each country that has joined the EITI, a multi-stakeholder group, composed of government, companies and civil society, supports implementation of the EITI Standard.

Companies may support the EITI in a variety of ways. By signing up as a “supporting company”, companies become members of the EITI international association and agree to meet and promote the [Expectations for EITI supporting companies](#) as well as to contribute financially to the international management of the EITI. Additionally, companies may also then become members of the EITI international Board. Independent of international support, companies may also support national implementation of the EITI Standard, by becoming the member of a national multistakeholder group.

There has been significant research documenting EITI's impact in setting global transparency norms,¹ and demonstrating the reputational benefits that countries gain through EITI candidature and implementation, including increased access to global markets, donors and FDI by international companies.² Similar efforts have not been made to document benefits that companies gain by supporting or participating in the EITI, though anecdotal evidence suggests that there may be several reputational benefits that follow from supporting the EITI, as well as broader benefits, including a more level playing field and improved business climate for investment in countries.

There are several ways in which such reputational and broader benefits might be manifest for companies supporting EITI, including:

- Improved governance, level playing field, and access to stakeholders in countries of operation
- ESG ratings that influence access to international investment
- Neutral verification of tax reporting in countries of implementation
- Competitive advantages in bidding instances where transparency and good governance are at a premium
- Improved corporate governance and stakeholder engagement
- Public relations management and media engagement
- Improved standing among peers

In addition to reputational benefits, companies might enjoy financial or operational benefits from improved operating conditions in EITI implementing countries, and these benefits might be most pronounced for companies that actively participate in EITI multi-stakeholder groups (MSGs) in those countries.

3. Scope of work

The consultant will be expected to undertake a rigorous research process including the following steps.

Research design

The consultant should, through consultation and collaboration with the research and evidence focal point at the EITI International Secretariat, identify and design an appropriate methodology for collecting and assessing evidence of company benefits. Appropriate methodologies might include:

- Statistical analysis of the effect of EITI support on global extractive companies' ESG ratings
- Perception-based assessment (survey or interviews) among investors and international banking institutions on the effect of EITI support on corporate reputation

¹ Rustad, Le Billon, and Lujala, "Has the Extractive Industries Transparency Initiative Been a Success? Identifying and Evaluating EITI Goals"; Van Alstine, "Critical Reflections on 15 Years of the Extractive Industries Transparency Initiative (EITI)."

² David-Barrett and Okamura, "Norm Diffusion and Reputation: The Rise of the Extractive Industries Transparency Initiative"; Lujala, "An Analysis of the Extractive Industry Transparency Initiative Implementation Process"; Neumann et al., "Assessing the Effectiveness and Impact of the Extractive Industries Transparency Initiative (EITI)."

- Case-based qualitative analysis on specific bidding or corporate governance events
- Analysis of how EITI implementation affects the business environment for companies in implementing countries

Refinements to the above should be suggested, as well as other methods and innovative methodological approaches if appropriate. Depending on the methods selected for data collection, analytical methods to weigh evidence of causal relationships and evaluate biases should also be identified, as discussed in step 3.

Data collection and interviews

Data collection will likely involve a significant amount of desk research as well as interviews. Preliminary interviews with key stakeholders from the EITI Board Company Constituency can also be used to identify subsequent interviews and/or data collection mechanisms.

Analysis and drafting

Analysis should aim to identify 3 key outputs:

- Overview of the types of benefits, accompanied by an assessment of the evidence available to support those benefits, and an analysis of the conditions under which those benefits are likely to occur, considering issues such as differences in country contexts, extractive sectors, company size and public profile.
- An analysis of how these benefits are differently perceived among different types of relevant stakeholders, potentially including financial institutions, ratings bodies, and regulatory bodies, as well as accounting for differences between extractive sectors, national and international companies, publicly, privately, and state-owned companies.
- An analysis of how benefits accrue from different types of support at the national and international level. This may include a refinement of data provided by the EITI International Secretariat, regarding participation of companies in national multi-stakeholder groups.

All data and evidence included in the analysis should be critically assessed for potential bias, particularly in regard to self reported survey and interview data. The analysis should explicitly consider the quality of evidence on which the analysis is³ based, in accordance with international best practice for the evaluation of development programming.

The analysis should include presentation of preliminary findings and a draft report format to the EITI International Secretariat for feedback prior to drafting the final report.

The report will be a public-facing document, to be published through EITI International Secretariat channels including its website. The report is therefore expected to conform to the communications design principles of the International Secretariat:

- Targeted: Identify the audience for the product and develop the content accordingly
- Evidenced: Where possible, include proof points, data and facts to substantiate arguments

³ See for example <https://www.khulisa.com/guest-blog-the-value-of-contribution-and-evidence-rubrics-for-evaluations/#:~:text=Contribution%20Rubrics%20is%20essentially%20a,d'Ivoire%20for%20CARE%20International>.

- Inclusive: Ensure content considers gender and racial sensitivities; where relevant, ensure there is a geographical and regional balance of country examples.
- Accessible: Use plain language, break down complex ideas and ensure content is accessible and readable.
- Engaging: Where possible, try to “show” instead of “tell” your message by providing concrete examples that substantiate your message and integrating visual content.
- Outward-looking: Ensure messages are relevant by connecting to broader issues or news agenda; acknowledge partner contributions where relevant.

The final report draft to be produced by the consultant will be laid out in a plain word template. Once edited by the EITI International Secretariat communications team, typesetting, design and translation will be commissioned and will most likely to be undertaken by an external service provider. The final designed report will be produced on an EITI-branded template. In the first and final draft, the consultant should make suggestions for visual components (e.g. infographics and diagrams) which can be used in design of the final document. The report should be written in a clear and engaging manner and in line with the [style guide](#) of the International Secretariat.

Acknowledgements: The final document will acknowledge the consultant as author but will be a communications product of the International Secretariat. The report is funded by European Commission and the final document will acknowledge this support. The International Secretariat will take responsibility for meeting the branding requirements of the European Commission in respect of the final report.

Presentation of results

The consultant will be asked to present results to the EITI International Board and/or International Secretariat, as agreed in the contracting phase. This will be an opportunity to discuss implications of the research and answer questions.

Support to the above will be provided by the EITI International Secretariat, including:

- Support in finalizing an appropriate research design and identifying appropriate data sources for desk research
- Access to a mapping of company participation in multi-stakeholder groups in 51 EITI implementing countries, updated January 2022, including countries, company names, and company web addresses
- Assistance in identifying and contacting appropriate stakeholders for interviews
- Interviews with EITI International Secretariat as appropriate

4. Timeline and deliverables:

Phase	Deliverable	Timeframe (in weeks)
Consultation and research design	Methodology and work plan agreed with the EITI International Secretariat.	1-3

Data collection and interviews	n/a	4-8
Analysis and drafting	n/a	6-10
	Preliminary findings and outline for feedback from the IS.	8
Final report	Final report should be limited to 20 pages, including an overview of the types of benefits and an analysis of how benefits are perceived by stakeholders. The mapping of company representation should be captured in a separate file, but may be summarized in the main report. Annexes may be attached to describe methodologies or other peripheral issues.	
	Final report first draft for review by IS. Comments and suggested edits delivered in +1 week.	11
	Deliver final draft report.	13
Presentation of results	One presentation of the report with facilitated discussion, virtually or in person, as agreed.	12+ as agreed

5. Qualifications and requirements

The selected research consultant or team of research consultants must be perceived by the EITI International Secretariat to be credible, trustworthy and technically competent. Consultants will need to be able to demonstrate:

- Expertise in conducting similar research, including the strategic design of appropriate methodologies through which to assess the role of ideas and incentives in a political context
- Understanding and prior experience with governance issues in the oil, gas and mining sectors
- Previous experience with the EITI would be an advantage but is not required

6. Procurement procedure

Proposals must be delivered by email to SKasimova@EITI.org by close of Friday 15 July 2022.

All questions related to the project, its timeline and deliverables should be submitted to CWilson@EITI.org by no later than Friday 1 July 2022.

Potential research consultants are requested to submit the following:

1. A technical proposal which
 - suggests a general methodological approach for conducting the research, in line with the background and objectives described above;
 - relevant technical experience of the consultants from comparable research;
 - consultant's familiarity with EITI policy areas and company engagement with transparency in the extractive sector, including any relevant information about how the consultant would identify and access appropriate stakeholders for interviews and data collection;

- any other information on the consultant's relevant experience;
 - a workplan indicating steps and milestones in line with the timeframe presented above, and allocating an estimated number of working days for each task or phase;
 - the consultant's CV, as well as CVs of any other researchers or consultants that might play a significant role in the research;
 - Documentation that addressing any potential conflicts of interest and accompanying mitigation strategies.
2. A financial proposal including
- a lump sum financial proposal, inclusive of all costs associated with required travel and applicable taxes, at a maximum USD 20,000.
 - clearly differentiate fees from any other reimbursable expenses.

Please note that all financial proposals must be password protected. Financial proposals submitted without a password will result in disqualification.

The criteria for assessing the technical proposals will be based on:

- Experience and qualifications of the Consultant relevant to the Assignment, and based on the Qualifications and requirements described above
- Adequacy and quality of the proposed methodology, and work plan in responding to the Terms of Reference (TORs)

The weighting assigned to the technical proposal (T) and the financial proposal (P) is as follows:

T = 80 %

P = 20 %

Proposals will be ranked according to their combined technical (St) and financial (Sf) scores, using the weights [T = weight given to the technical proposal; P = weight given to the financial proposal; T + P = 1] as follows: $S = St \times T\% + Sf \times P\%$.

Contract negotiations will be initiated with the firm or team of consultants with the highest score. If these negotiations fail, a new contract negotiation will be initiated with the firm with the second highest score.

**When preparing your proposal, please be sure to include a section on potential conflicts of interest in the technical proposal. This section should identify any areas of work, including past, present, or future consultancies related to the EITI, which might pose a conflict of interest. Please also describe strategies that you intend to use to minimize those risks.*