**TERMS OF REFERENCE**

**for providing consultancy services to conduct an analysis of main corruption risks**

**and mitigation measures in the energy sector**

**Background and context**

The EU Anti-Corruption Initiative (EUACI) is the flagship EU program in Ukraine funded by the EU, co-funded and implemented by the Ministry of Foreign Affairs of Denmark. The EUACI’s strategic objectives are: corruption in Ukraine is reduced; Ukraine advances with anti-corruption reform; and the reconstruction in war-affected areas of Ukraine is implemented within a framework that incorporates transparency, accountability, and integrity. Among its activities, the EUACI is providing support to Ukrainian partners in the field of EU integration and accession.

Following the granting of EU candidate status in June 2022, and successful completion of seven steps outlined by the European Commission, in December 2023 the European Council decided to open accession negotiations with Ukraine. On 25 June 2024, the EU held its first intergovernmental conference with Ukraine, formally opening the membership negotiations. The negotiating framework for Ukraine, in line with the revised EU enlargement methodology, requires anti-corruption to be mainstreamed throughout all the relevant chapters, which will only be provisionally closed once sufficient anti-corruption policies in that specific chapter are implemented. Bilateral meetings on chapters of EU *acquis* are taking place to present Ukraine’s level of alignment with the EU *acquis*. These meetings will also address relevant anti-corruption issues in line with the mainstreaming approach.

In this context, an analytical study of the energy sector would help to identify key corruption risks and practices and formulate recommendations for their mitigation as a basis for anti-corruption mainstreaming under the respective chapter of the EU acquis. Thus, the analysis would provide an important input to Ukrainian partners as well as to the EU Commission in the run up to the bilateral/screening meeting in June 2025. The National Agency for Corruption Prevention, NACP, will be the Ukrainian partner of this assignment.

As part of the analysis of the energy sector a number of aspects are considered, in particular: the improvement of competitiveness; security of energy supplies and the protection of the environment, rules and policies, notably regarding competition and state aids (including in the coal sector), the internal energy market (opening up of the electricity and gas markets, promotion of renewable energy sources), energy efficiency, nuclear energy and nuclear safety and radiation protection[[1]](#footnote-1).

**Objective**

The main objective of the assignment is to identify the main corruption challenges in the energy sector and to suggest ways to address them as part of the anti-corruption mainstreaming and in preparation of the upcoming bilateral/screening meeting in June 2025.

**Scope of work**

The scope of work on the assignment includes the following key tasks:

1. Analysis of corruption risks and practices in the energy sector, with the following main steps:
* drafting a detailed methodology for the study, including mapping of stakeholders (i.e., companies and organizations from sub-sectors, governmental authorities, NGOs, CSOs, international donor projects, and the actors with the informal influence in the area etc.), approach to identification of corruption risks and practices, prioritization of selected aspects for in-depth analysis, to be approved by the EUACI and the NACP;
* analysis of the sector, desk research of available information about corruption risks in the sector (with particular attention to previous OECD study, which could be used as a basis[[2]](#footnote-2)) and consultations with a few selected experts, including from the European Commission and NACP;
* prepare and conduct an online survey of above-mentioned stakeholders to identify aspects or functions in the sector most affected by corruption risks and practices;
* based on the desk research, consultations and survey, identify the key corruption risks and practices in the sector for in-depth analysis. Should be limited to the most widespread or the most impactful risks/practices;
* drafting questionnaire for in-depth semi-structured interviews with stakeholders on the key corruption risks and practices in the sector (covering sub-sectors), defining the list of stakeholders for in-depth interviews;
* in-depth analysis of the functions affected by key corruption risks and practices, including interviews with relevant stakeholders, review of legislation, review of open sources, etc.;
* defining recommended sector-specific measures to mitigate key corruption risks and eliminate/minimize key corruption practices in the sector.
1. Drafting a report with an analysis of corruption risks and practices in energy sector and possible measures of mitigation.

**Expected deliverables**

The following deliverables are expected:

* Detailed methodology of the study, including questionnaire for online survey and the list of stakeholders for a survey.
* Analysis of the sector (based on desk research, consultations and online survey) with the identified key corruption risks and practices in the energy sector for in-depth analysis.
* Questionnaire for in-depth interviews with stakeholders on key corruption risks and practices in the energy sector and ways to address them.
* In-depth analysis of the selected functions affected by corruption risks and practices in the energy sector.
* Draft report on analysis of corruption risks and practices in energy sector with the following elements included:
* Executive summary;
* Introduction;
* Methodology;
* General overview of energy sector in Ukraine, including key stakeholders, corruption perception and practices, key ongoing anti-corruption efforts in the area;
* Analysis of key corruption risks and practices in the sector (covering sub-sectors);
* Key findings, including a summary table of key corruption risks/practices and corresponding recommended sector-specific mitigating measures, and final recommendations.
* Provide a final report after obtaining and incorporating comments from the EUACI and possibly other stakeholders.

Deliverables are to be provided in English and Ukrainian languages. Electronic copies should be sent by email to the designated EUACI contact person.

The draft report should be provided by the 15 April 2025 and the final report by the 15 May 2025. The timeline for provision of other deliverables by the contractor would be defined in consultations with EUACI while drafting the methodology.

Other deliverables could be requested upon the agreement with the contractor.

**Timeline**

The intended commencement date is the date of signature of the contract with the selected service provider.

**The final deadline for receiving all the requested deliverables (including the final report on analysis of corruption risks and practices in the energy sector) is 15 May 2025.**

**Requirements to the Service Provider/s:**

The contract can be awarded to *a team of experts* *or organization* meeting the following criteria:

* Team of experts (private entrepreneurs under Ukrainian legislation) or organization (NGO or other legal entity under Ukrainian legislation) with at least 5 years of experience of analytical work (such as conducting studies and research, policy analysis, policy advise, etc.) in the energy sector.
* Core project team should include expertise in the energy sector as well as in related legal and policy making or policy advise, including, of cross-cutting aspects (such as pricing, concessions and investments, markets’ operating, etc.).
* Core project team should include at least one expert with at least 5 years of experience in one of the following areas: anti-corruption, anti-bribery, compliance, good governance.
* International experience of anti-corruption measures in the energy sector is desirable, irrespectively of the nationality of experts.
* Experience in implementation of and/or participation in energy markets’ related international donor-funded projects/activities will be an advantage.
* Profound sense and personal culture of integrity.
* Excellent written and oral communication skills in English and Ukrainian languages.

**Monitoring and evaluation**

Definition of indicators:

The performance of the contractor will be judged upon reaching the purpose of this contract as well as obtaining its results, as indicated in the sections "Objective" and "Expected Deliverables" herein respectively.

Special requirements:

By signing the contract, the contractor (and its representatives) agree to hold in trust and confidence any information or documents ("confidential information"), disclosed to the contractor or discovered by the contractor or prepared by the contractor in the course of or as a result of the implementation of the contract and agrees that it shall be used only for the purposes of the contract implementation and shall not be disclosed to any third party without EUACI authorisation.

The contractor reports to the EUACI. The contractor shall de-brief the EUACI prior to finalising the assignment.

# Bidding details:

The bidder or team of bidders must submit the following information to be considered:

* The CV / CVs (max. 3 pages each) of core project team members (including lead expert).
* A list of assignments related to this project executed during the last five years.
* A one-pager describing the approach to implement this assignment.
* At least one example of analytical study, report or other similar document prepared by the organization / experts on the energy sector.
* A financial offer presented in EUR with disaggregation by expenses, including all taxes or other such charges.

**Budget**

The total contract budget cannot exceed **EUR 32,000.**

# How to apply

The deadline for submitting the proposals **is 13 December 2024, 18:00 Kyiv time.**

The proposals shall be submitted within the above deadline to euaci@um.dk and ievrom@um.dk indicating the subject line “Tender: “Analysis of corruption risks and practices in energy sector”.

Bidding language: English.

Any clarification questions for the bid request should be addressed to euaci@um.dk and ievrom@um.dk, **no later than 11 December 2024, 18:00 Kyiv time.**

# Evaluation criteria:

Bids will be evaluated under the criteria provided below:

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| **#** | **Criteria** | **Weight** |
| 1 | Criterion 1: Professional experience, including the length of experience, the proven track record of practical expertise in the given field, quality of example of the analytical product provided | 50% |
| 2 | Criterion 2: The quality of the outline of the approach | 30% |
| 3 | Criterion 3: Financial offer | 20% |

1. <https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/conditions-membership/chapters-acquis_en> [↑](#footnote-ref-1)
2. <https://www.oecd.org/en/publications/anti-corruption-review-of-the-energy-sector-in-ukraine_140c2616-en.html> [↑](#footnote-ref-2)