**Terms of reference**

**for the procurement of Consultancy services for the development of key performance indicators for municipal-owned enterprises in Integrity Сities**

# BACKGROUND AND CONTEXT

**General overview**

**The European Union Anti-Corruption Initiative (EUACI)**

The European Union Anti-Corruption Initiative (EUACI) is a joint EU and Government of Denmark financed programme aimed at supporting Ukraine in its efforts to reduce corruption at the national and local level through the empowerment of citizens, civil society, businesses, and state institutions. In January 2024, a new phase of the EUACI is launched. The strategic objectives are that: Corruption in Ukraine is reduced; Ukraine advances with anti-corruption reform; and Reconstruction in war-affected areas of Ukraine is implemented within a framework that incorporates transparency, accountability and integrity.

The EUACI has four intervention areas, namely:

* Support to independent state institutions fighting and preventing corruption;
* Transparency and accountability of the reconstruction process;
* Support cities in war-affected areas in enhancing integrity in the reconstruction process;
* Civil society and media in preventing and fighting corruption.

This specific assignment concerns the EUACI's support for Integrity Cities (intervention area 3).

The Ukraine Facility Plan outlines a series of reforms aimed at improving the management efficiency of state-owned and municipal-owned enterprises (MoEs). This includes, in particular, the provision stipulated in Pillar I, particularly in Chapter 2. Public financial management, Chapter 6. Management of Public Assets, Chapter 8. Business environment (Reform 5. Harmonisation of legislation and standards with the EU), Chapter 10. Energy sector (Reform 6. Improved efficiency in the district heating), and Chapter 15. Green transition and environmental protection. These measures are focused, among other things, on enhancing the governance of public assets, including MoEs, and involving the establishment of clear key performance indicators (KPIs) to assess their performance. The implementation of such KPIs will help ensure transparency, accountability, and improved effectiveness of MoEs.

**The Integrity Cities**

The six integrity cities with which the EUACI has entered into a partnership under its Component 3 are Zhytomyr, Chernivtsi, Sheptytskyy (former Chervonohrad), Nikopol, Mykolaiv and Mariupol. Currently, there are no active projects in Mariupol.

**Sustainability of the proposed tool**

Based on the developed KPIs for each specific MoE, policies and approaches to awarding bonuses to the CEOs of these MoEs will be updated. In cities where supervisory boards are being implemented or have already been established, the KPIs will be taken into account in the development of future strategic-level documents.

These Terms of Reference (ToR) give more details about the assignment.

# OBJECTIVE

The objective of the assignment is to enhance accountability, efficiency and transparency in the three MoEs in three integrity cities (Mykolaiv, Chernivtsi, Sheptytskyi) through identification and formulation of KPIs and their further implementation through integration into formal documents.

As part of this activity, the Consultant is required to take into account the Ukraine Facility Plan in the context of the aforementioned goals and align their recommendations with the vision of the representatives of the Ministry of Economy of Ukraine.

# SCOPE OF WORK

The scope of work includes all activities necessary to ensure the achievement of the above objective, including, but not necessarily limited to.

This assignment concerns the EUACI's support of the following MoEs in Integrity Cities:

* Municipal Enterprise "Chernivtsi Trolleybus Department",
* Municipal Enterprise "Mykolaivvodokanal",
* Municipal Enterprise "Chervonohradvodokanal" of the Sheptytskyi City Council.

**Kick-Off**

Present the work plan, assignment implementation strategy, and considerations to EUACI Component Team during the Kick-Off meeting.

In order to minimize corruption risks, move forward at the strategic level and create an analytical basis for decision-making, it is necessary to develop KPIs for the three municipal-owned enterprises of Integrity Cities.

**Tasks within the project include the following measures:**

1. Conduct facilitated offline sessions, 3 local (in Mykolaiv, Chernivtsi and Sheptytskyy) and 1 general session in Kyiv with the involvement of national level stakeholders, in particular the Ministry of Economy of Ukraine, The Association of Ukrainian Cities, the Ministry of Restoratiоn, sectoral associations, etc., to discuss the optimal and realistic list of KPIs.

2. Define and formalize the objectives for each of the three MoEs by collaborating with their CEOs, management teams, governing bodies, councils, and city management. Using these objectives as a foundation, develop KPIs - a set of metrics that enable both quantitative and qualitative assessment of progress toward achieving the goals.

3. Identify and formulate KPIs for reporting that will be appropriate for key stakeholders (MoEs management, governing bodies, council, and city management). Additionally, in the process of identifying and developing KPIs for each MoE, it must be considered that one of the priorities of this task is to enhance transparency, accountability, and integrity, which should be reflected in the specific KPIs and reporting.

4. Develop identified targeted KPIs for each of the three MoEs with identified KPIs, which will be presented in a draft of local regulation to assist cities and MoE management in achieving strategic goals.This regulation must align with the municipality’s strategic documents (concerning specific MoEs) and the aforementioned MoEs directly. The consultant must deliver presentations of these products to the management of the cities and MoEs.

5. Develop a methodological public document containing a general framework for the approach to development of KPIs for MoEs (in the following sectors: water supply, public transportation), lists of KPIs, a mechanism and recommendations for engaging key stakeholders at the city level, and recommendations as to a structure of incentives for the management of the enterprises to live up to the established KPIs. Key stakeholders at the national level should be involved in the development of the document (the Ministry of Economy of Ukraine, The Association of Ukrainian Cities, the Ministry of Restoratiоn, sectoral associations, etc.,). The consultant must deliver public presentation of this product.

# DELIVERABLES:

The Deliverables are presented below in Table 1 with a tentative schedule.

All results are expected to be provided in Ukrainian unless otherwise agreed with the exception of the public document and Final Report that should be in Ukrainian and English versions. Electronic copies are sent by email to the particular EUACI contact person.

Table 1: Summary of deliverables/outputs and the tentative timeline for delivery.

| **#** | **Deliverable/Output** | **Timeline** | **Note** |
| --- | --- | --- | --- |
| 1 | Consultant's **updated work plan** showing tentative timing for the start and completion of the activities listed in the scope of work section. | 1 week after contract signing | To be submitted to the EUACI contact person by e-mail in Ukrainian version ahead of presentation during Kick-Off meeting. |
| 2 | **Four** **sessions facilitated** by Consultant:  3 local (1 in Mykolaiv, 1 in Chernivtsi, 1 in Sheptytskyy)  1 general in Kyiv. | Until the end of 2 month of the contract | The Short summary of four facilitated sessions should contain the results of the determining the optimal and realistic list of KPIs.  To be submitted to the EUACI contact person by e-mail in Ukrainian version. |
| 3 | **Drafts of local regulation documents with targeted recommendations** for each of three MoEs. | Until the end of 4 month of the contract | The documents should contain personalized recommendations for each of the MoEs, identified through the process of analysis, facilitation, and stakeholder engagement, as well as KPIs aimed at achieving strategic goals.  To be submitted to the EUACI contact person by e-mail in Ukrainian version. |
| 4 | **Methodological public document** containing a general framework for the approach to development of KPIs for MoEs (in the following sectors: water supply, public transportation). | Until the end of 4 month of the contract | The document should include drafts of local regulation documents with targeted recommendations for each of three MoEs.  The structure of the document should be approved by the EUACI.  To be submitted to the EUACI contact person by e-mail in Ukrainian and English versions. |
| 5 | **Three online Presentations of Deliverable 3** to the management of each of three cities and MoEs. | Until the end of 5 month of the contract | To be submitted to the EUACI contact person by e-mail in Ukrainian version. |
| 6 | **One public offline Presentation of Deliverable 4** in Kyiv. | Until the end of 5 month of the contract | To be submitted to the EUACI contact person by e-mail in Ukrainian version. |
| 7 | **Final Report**. | Until the end of 5 month of the contract | To be approved by the EUACI.  A summary of the tasks and outputs delivered under the contract.  To be submitted to the EUACI contact person by e-mail in Ukrainian version with summary in English. |

The timelines indicated in the table above are indicative. The Consultant will reflect on and update the timelines for different activities while preparing and updating the Consultant’s work plan. During the Kick-Off meeting with the EUACI Component Team, the Consultant’s work plan will be discussed, including the proposed timeline for the different activities and the submission of deliverables.

# TIMING

The expected duration of the assignment is **5 months**, with a tentative start in March 2025 and completion in August 2025.

# METHODOLOGY

The Consultant will work under the supervision of Project Expert for Integrity Cities.

Based on consultations with the EUACI staff and the needs identified in the documentation provided by partners, the Consultant will prepare work plans and send them to the EUACI for approval.

# PAYMENT

Payment will be made in a maximum of two instalments.

The first instalment, representing a maximum of 30% of the total contract value, will be made after receipt of the Consultant's updated work plan, Deliverable 1, and invoice.

The second and final payment will be made upon receipt and approval of the Final Report with all other supporting documents, including a Final Invoice.

# QUALIFICATIONS AND COMPETENCE OF STAFF

The Consultant must be a registered legal entity, private entrepreneur, or NGO under Ukrainian law. The assignment described above is expected to be completed by a qualified Consultant or expert team. If third parties or additional experts are engaged in the contract, this must be specified in the proposal.

The Consultant's core team shall include the following profiles:

**One Team Leader:** responsible for overseeing and quality assuring the entire process, the processing and analysis of collected data, and the quality of key deliverables.

**Expert in municipal enterprise management:** responsible for identifying KPIs for MoEs, adequately assessing priorities and strategic goals, and ensuring technical communication with project participants and beneficiaries.

**Team Leader requirements**

General qualifications:

* Master's degree or equivalent in public administration, law, finances, economics or another related field that demonstrates the ability to perform the duties and responsibilities as described.
* Proven track record (no fewer than 5 years) of provision of services in similar projects over the past 7 years.

Adequacy of the Team Leader:

* A track record of a minimum of three earlier assignments as Team Leader for compliance assessments, business processes reviews for legal entities (preferably municipally owned) that range from project design, data collection, data analysis and presentation, and writing and presentation of reports.

Experience in the region and language:

* Fluency Ukrainian as well as English.

**Expert in municipal enterprise management**

General qualifications:

* Minimum of Bachelor’s degree or equivalent in public administration, law, finances, economics or technical field related to the assignment.
* Proven track record (no fewer than 10 years) of working in a local self-government body and/or in an MoE, both in a managerial position (no fewer than 5 years).
* In-depth Knowledge of MoE Sector. Strong understanding of the self-governance sector in Ukraine, including current trends, challenges, and regulatory frameworks.

Adequacy for the assignment:

* A minimum one recent assignment from projects of a similar nature within the past five years.

Experience in the region and language

* Fluency in Ukrainian.

# ESTIMATED BUDGET AND LEVEL OF EFFORT

The maximum budget available for this assignment **is up to EUR 17 000.**

It is assumed that the consultant will have **90 working days**, including **16 days of business trips** to three cities and Kyiv. The format of meetings (offline) will be pre-agreed with the EUACI contact person.

This amount includes subsistence allowance for fieldwork in the partner city as well as costs related to local travel, and other project-related costs such as for example printing.

The consultant has the ability to enlist the help of other experts to efficiently and effectively tackle assigned tasks by leveraging diverse areas of expertise as necessary.

**Bids will be evaluated in accordance with the criteria provided below:**

|  |  |  |
| --- | --- | --- |
| **#** | **Criteria** | **Weight** |
| 1. | Budget | 20% |
| 2. | Methodology | 30% |
| 3. | Participant(s) CV(s) | 50% |

**HOW TO APPLY**

The proposals with:

1) budget proposal including daily rate and budget for business trips;

2) short methodology of project implementation (maximum 3 pages);

3) CV(s) of the tender participant(s)

shall be submitted in electronic format only within the below deadline to the email: [euaci@um.dk](mailto:euaci@um.dk), cc [ulytyb@um.dk](mailto:ulytyb@um.dk) indicating the subject line **«Consultancy services for the development of KPIs for MoEs in** **Integrity Cities».**

Any clarification questions for the bid request should be addressed: [ulytyb@um.dk](mailto:ulytyb@um.dk), cc [khavunka.taras@gmail.com](mailto:khavunka.taras@gmail.com), no later than **28 February 2025, 17:00** Kyiv time.

The deadline for submitting proposals is **9 March 2025, 17:00** Kyiv time.

To ensure your documents were successfully received, please check that you receive an auto-reply from our system.

**Bidding language: English**