

## **Terms of Reference**

### **For a Service Provider to Conduct an Educational Program “Executive Leadership and Corporate Governance in Cities: Supervisory Boards, Accountability and Strategic Oversight”**

#### **1. Background**

##### **Corporate Governance of Municipal Enterprises in Ukrainian Municipalities**

Municipal enterprises (MEs) are key providers of essential public services in Ukrainian communities, including water supply and wastewater management, district heating, public transport, waste management, housing and communal services, and the maintenance of urban infrastructure. Their stable operation has a direct impact on residents' quality of life, community resilience, and the capacity of municipalities to implement recovery and development projects.

For a prolonged period, the majority of municipal enterprises in Ukraine have operated under outdated administrative and management models characterised by:

- limited strategic planning;
- blurred accountability between ownership and executive management;
- excessive political influence on operational decision-making; and
- insufficient financial transparency and weak internal control systems.

Corporate governance in the municipal sector remains uneven and fragmented. Unlike state-owned enterprises, for which a unified corporate governance framework has already been introduced, municipal enterprises still lack a comprehensive mandatory standard regulating the functioning of supervisory boards, the role of independent members, executive performance evaluation, and integrity and compliance systems.

As of today, Ukraine has launched a reform that directly affects the operating model of municipal enterprises. Legislative changes provide for the discontinuation of the establishment of new municipal enterprises in their traditional legal form and require a mandatory transition to corporate legal forms, namely limited liability companies or joint-stock companies. These changes effectively oblige local self-government bodies to: revise approaches to the management of municipal assets; introduce elements of corporate governance; separate ownership functions from operational management; and establish supervisory and control mechanisms in line with corporate legislation.

As a result, corporate governance is no longer a voluntary initiative but has become a necessary managerial condition for the continued operation of municipal enterprises.

**Additional Challenges under Martial Law: Tariff Policy.** A significant challenge to the financial sustainability of municipal enterprises is the restriction of tariff setting under martial law. The freezing of tariffs, or their politically driven containment, leads to:

- economically unjustified tariffs;
- chronic financial losses for enterprises;
- accumulation of debt; and an inability to invest in infrastructure modernisation and recovery.

Under these conditions, the role of supervisory boards and the municipal owner becomes increasingly important in ensuring a balance between the social function of municipal enterprises and their financial viability, as well as in identifying alternative sources of financing, including grants, donor programmes, and international financial institutions.

**Governance and Integrity Risks.** Municipal enterprises remain an area of heightened risk, particularly with regard to:

- corruption risks in procurement and personnel decisions;
- weak oversight of executive management;
- the absence of systematic performance evaluation; and insufficient accountability to the owner and the community.

These risks are further amplified by increased funding allocated for recovery efforts and the growing number of complex infrastructure projects implemented at the local level.

**Capacity-Building Needs.** Ukrainian municipalities face a significant shortage of practical expertise in corporate governance. Many representatives of local self-government bodies, supervisory board members, and municipal enterprise executives lack adequate training in:

- the roles and responsibilities of supervisory boards;
- the development of ownership policies;
- the selection and performance evaluation of executive management;
- performance and risk management; and the establishment of internal control and compliance systems.

There is therefore an urgent need for structured capacity-building programmes that combine legislative requirements, international standards, and practical management tools for municipal enterprises.

**Expected Impact.** Strengthening the corporate governance of municipal enterprises will:

- improve the quality and continuity of service delivery;
- enhance the financial sustainability of municipal enterprises;
- reduce corruption and governance-related risks;
- increase trust among citizens and international partners; and ensure municipal readiness for recovery and European integration.

## 2.Objective of the Training Program

The objective of the programme is to strengthen the institutional capacity of municipalities to ensure professional, transparent, and accountable governance of municipal enterprises. The programme is designed to develop the competencies of representatives of local self-government bodies, supervisory board members, and executive management of municipal enterprises in the areas of supervisory board functioning, ownership policy implementation, strategic oversight, the selection and performance evaluation of executives, financial sustainability, risk management, and integrity-based decision-making.

The training also aims to support municipalities in implementing legislative changes related to the transition of municipal enterprises to corporate legal forms or the introduction of corporate governance elements.

### 3. Goals of the Training Program

- Establish a clear and practical understanding of corporate governance as a management support tool, clarifying the roles and responsibilities of local self-government bodies, supervisory boards, and executive management of municipal enterprises.
- Reduce institutional and governance-related risks associated with the introduction of corporate governance by providing municipalities with clear and workable models for decision-making, the division of powers, and accountability.
- Strengthen municipal capacity to establish and operate supervisory boards, including board composition, the definition of competencies, and accountability mechanisms, while maintaining effective ownership oversight.
- Improve strategic oversight and performance management practices, including the practical use of KPIs, regular evaluation of executive management, and transparent monitoring of results.
- Increase the confidence and readiness of municipalities to implement corporate governance elements in the context of legislative reforms, including the transition of municipal enterprises to corporate legal forms, without creating excessive administrative burden.
- Promote a culture of integrity-based and responsible governance aimed at reducing corruption risks, increasing transparency, and strengthening trust among communities and international partners.

### 4. The Service Provider shall be required to:

- Develop a training programme and detailed agenda for the training modules aimed at achieving the objectives of the Training Programme outlined above, in close consultation with **EU4Reconstruction**.

The training programme shall consist of **two (2) training modules**, each with a duration of **two days**.

- The indicative topics of the training programme shall include:
  - Foundations of corporate governance in the municipal sector;
  - Principles of corporate governance, including the roles, responsibilities, and limits of authority of local self-government bodies, supervisory boards, and executive management;
  - Supervisory boards of municipal enterprises: establishment and legal framework;
  - Organisation of board work, meeting procedures, decision-making practices, interaction with executive management, and accountability mechanisms vis-à-vis the owner;
  - Ownership policy and strategic oversight of municipal enterprises;

- Performance indicator systems, monitoring of target achievement, performance evaluation, and managerial decision-making;
- Sharing the best international practise of EU in corporate government;
- Corporate governance and corporatisation of municipal enterprises, including differences between corporate governance and corporatisation, their interrelation, and practical implications for municipalities.
- Develop a **questionnaire** for the selection of participants for the training programme.
- Conduct a **pre-training needs assessment** of participants in order to tailor the training content and adjust the training programme accordingly.
- Identify and engage qualified trainers and speakers for each training module. Experience in construction project management and good governance practices shall be considered an asset.
- The Service Provider shall submit CVs of the proposed trainers/speakers for approval by **EU4Reconstruction**.
- Prepare and provide all printed (hard copy) training materials for each participant for each training module.
- Contractor responsible for operational management of participants. Including: 1) provide information for participants about trainings and logistics, accommodation on every stage of training program 2) collect needs for each module about accommodation and inform in time EU4R
- Accommodation for participants will be provide by EU4R (not part of the budget of this assignment)
- Manage the venue for the trainings, and meal/catering arrangements for participants,. The venue shall be suitable for at least **25 participants**, for each training day (**four days in total**), as well as trainers/speakers and representatives of **EU4Reconstruction**. Catering shall include:
  - ✓ **one lunch (hot meal),**
  - ✓ **one dinner (hot meal),**
  - ✓ **two coffee breaks per day (welcome coffee and tea with snacks)**
  - ✓ **water, coffee and tea** should be available during the day
- Assist the municipalities and **EU4Reconstruction** in the final selection of participants. Priority shall be given to representatives of municipalities selected and approved as partner cities under the **EU4Reconstruction** and EUACI programs.
- Deliver **two (2) offline training modules**, each lasting **two days**, in Kyiv, in accordance with the approved training programme and daily agenda. A signed registration list shall be obtained as proof of participation.
- Conduct a final evaluation and collect feedback on the delivered training modules, according to the EU4Reconstruction requirements.
- Prepare a concise final report summarising key observations and lessons learned, evaluation results, and recommendations for future staff development.

## 5.Deliverables

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

#	Deliverable/Output	Timeline	Note
1.	Training program and agenda for 2 two-days training modules	2 weeks after signing a contract	Subject to the EU4Reconstruction approval Ukrainian and English
2.	Methodology for selection of the participants for education program	2 weeks after signing a contract	Subject to the EU4Reconstruction approval Ukrainian
3.	Final List of trainers and their CVs	2 weeks after signing a contract	Subject to the EU4Reconstruction approval Ukrainian
4.	Materials for each training module	4 weeks after signing a contract	Ukrainian
5.	Conduct 2 modules of offline trainings	2 months after signing a contract	List of participants and results of feed back
6.	Final report	1 week after the last training day 2026	The report should contain observations and lessons learned, the result of the evaluation/feedback and recommendations for future development of staff Subject to the EU4Reconstruction approval Ukrainian and English

## 6. Methodology

The candidate Service Provider shall submit a proposal outlining the methodology of the training programme. The proposal shall include:

**Training Methodology Document** (maximum **two (2) pages**) – a clear and structured methodology for delivering the training, including:

- A description of the proposed pedagogical approach, highlighting the use of case studies, practical exercises, and real-life scenarios to ensure applied learning, particularly in areas related to integrity, internal controls.
- An explanation of how each training module will integrate practical tools and examples to promote effective and ethical management, leadership, and decision-making within **local self-government bodies and municipal enterprises**.
- An outline of the proposed main topics for each of the **two (2) training modules**, covering **four (4) training days** in total.

### List of Expected Speakers/Trainers:

The proposed speakers should demonstrate a clear understanding of the operational context of **local self-government bodies and municipal enterprises**, as well as corporate governance. It should also reflect the integration of cross-cutting themes such as integrity, transparency, and accountability across all training modules.

Following the selection of the Service Provider, the training topics, agenda, and speakers may be further discussed and adjusted in agreement with **EU4Reconstruction and EUACI**. While indicative training topics are listed above, candidates are encouraged to adapt them or propose alternative topics, provided they address similarly relevant capacity-building needs.

The training modules are expected to be delivered approximately **once per month during April and May 2026**.

### **6.Lengths of contract**

The expected duration of the contract is 3 months, with a tentative start in the beginning of March 2026 and completion in May 2026 (including reporting to the EU4Reconstruction).

### **7.Estimated budget**

The maximum budget available for this assignment is **up to EUR 25 000**. This amount includes all fees of the trainers/speakers and training organizers, meals or catering for participants including the service fee, hotels for participants, conference/study rooms, Shelter in need, printing study materials etc.

Note that the EU4Reconstruction as an international technical assistance program **is not a VAT payer** and will provide all the necessary documents required.

### **8.Payment**

Payment will be made in a maximum of two instalments.

The first instalment, representing a maximum of 50% of the total contract value, will be made after receipt of the Service Provider's Deliverables 1-2, and invoice.

The second and final payment will be made upon receipt and approval of the Final Report and a Final Invoice.

The payment will be made in UAH according to the official NBU exchange rate.

### **9.Requirements for the Service Provider:**

#### **1. Expertise and capacity in Training Development:**

- At least 10 years of proven experience in designing and delivering training programs on corporate governance, supervisory board operations (including municipal enterprises), governance of state-owned enterprises, integrity, accountability, and related topics for senior management and decision-makers in the public sector.

#### **2. Availability of Training Infrastructure**

- Availability of own or leased, properly equipped training facilities in Kyiv, suitable for conducting multi-day, in-person training sessions, including access to a shelter in case of air raid alerts.

#### **3. Organizational, Economic, and Technical Capacity**

- Ability to ensure the economic and technical resources required to deliver the requested services, as well as possession of the appropriate legal status to engage and remunerate experts and trainers.

- Experience in Organizing Corporate Training Programs



- Proven experience in organizing corporate training activities, particularly for civil servants, supervisory board members, and executives of municipal or public enterprises.

#### 4. Compliance with Integrity and Ethics Requirements

- Adherence to ethical standards and applicable legal requirements.
- Commitment to confidentiality, data protection, and information security.

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

#	Criteria	Weight
1.	Financial offer (including all the expenses for training, venue food and taxes)	20%
2.	Methodology for trainings	20%
3.	CV of Lecturers and Trainers	40%
4.	Relevant experience and competencies (portfolio of organised trainings)	20%

## 10. HOW TO APPLY

The proposals with:

- Completed [Annex 1](#), including: CV for Key staff and trainers (Section 3), Technical Proposal / Methodology (Section 4) and Workplan (Section 5)
- Financial offer ([Annex 2, forms 1 and 2](#)) in EUR, including daily fee and other related expenses

All proposal shall be submitted in electronic format only within the below deadline to the email: [eu4r@um.dk](mailto:eu4r@um.dk), cc [tetbar@um.dk](mailto:tetbar@um.dk) indicating the subject line **“Executive Leadership for Corporate Governance in Cities”**.

Any clarification questions for the bid request should be addressed to [tetbar@um.dk](mailto:tetbar@um.dk), no later than 15 February 2026, 17:00 Kyiv time.

**The deadline for submitting proposals is 23 February 2026, 18:00 Kyiv time.**

Bidding language: **English**.