

Terms of References

Gap analysis of using municipal bonds for municipal infrastructure development in Ukraine

General Background

EU4Reconstruction. The European Union (EU), together with Denmark, Germany, France and Lithuania, launched EU4Reconstruction, a €37 million Team Europe Initiative (TEI) that unites the strength, experience and solidarity of the EU to support Ukraine's ongoing recovery and reconstruction.

The initiative aims to strengthen governance, improve public investment management, and enhance coordination across levels of government, with a strong emphasis on EU values. The TEI is divided into two parallel streams; one stream is composed of GIZ (Lead Organisation) and Expertise France (Partner Organisation), and the other gathers the Ministry of Foreign Affairs of Denmark (Lead Organisation) and Central Project Management Agency (Partner Organisation).

EU4Reconstruction will reinforce the leadership of the Ministry for Communities and Territories Development (MCTD or the Ministry), strengthen the State Agency for Reconstruction and Development of Infrastructure (SARDI or Agency), empower local governments to manage reconstruction professionally and sustainably, and support civil society and independent media to play an active role in oversight, ensuring public trust and reducing corruption risks.

The Programme will strengthen the policy dialogue around reconstruction and recovery and will focus in particular on the governance of public investment management, public infrastructure management at national, regional and local levels and how to link this with necessary capacity development to make the system work. Part of this process will ensure that the stakeholders in the programme and their policy and regulatory setup are prepared for EU accession. This will, in particular, ensure resources are allocated effectively, transparently, accountably and with broad inclusion in infrastructure planning and execution, reflecting the subsidiarity principle.

Objective

The objective of this assignment is to conduct deep-dive research into the feasibility and implementation of municipal bonds in Ukraine as a tool to finance public investment projects on local level. The Contractor will provide:

- comprehensive analysis of the existing legal and regulatory framework.
- benchmark study of EU best practices.
- gap analysis between Ukrainian reality and international standards.
- recommendations for the successful launch and scaling of municipal bond issuances.

Scope of work

The Contractor shall provide thematic analytical, methodological, and strategic inputs divided into the following five tasks:

1. Ukrainian Legislative & Regulatory Assessment:

- Analyze the Budget Code, Law on Securities and the Stock Market, Law on local self-government and relevant NBU/NSSMC regulations.
 - Identify legal barriers regarding municipal debt limits, state guarantees, and default procedures.
 - Assess the current tax treatment of municipal debt instruments for residents and non-residents
2. EU Best Practices:
- Case studies from three EU member states (e.g., Poland, Romania, or Germany) regarding municipal bond frameworks.
 - Analysis of different types of municipal bonds, including "Green Bonds" and "Social Bonds" as specific tools for reconstruction.
 - Evaluation of the role of national promotional banks and credit rating agencies in the EU context.
3. Gap Analysis:
- Identify "bottlenecks" in the current Ukrainian market infrastructure, such as secondary market liquidity and depository systems.
 - Assess the "readiness gap" of Ukrainian municipalities regarding financial transparency and debt management capacity.
 - Analyze past cases of municipal bond use by municipalities and determine what led to their successful and unsuccessful use.
4. Stakeholder Engagement:
- Conduct a minimum of 30 structured interviews with key stakeholders, including:
 - National authorities (Ministry of Finance, Ministry for development, NSSMC, NBU).
 - International Financial Institutions (IFIs) with the special focus on EIB and EBRD.
 - EU Delegation to Ukraine
 - Local municipal finance officers and city leadership.
 - Association Of Ukrainian Cities
 - Perform field research and on-site interviews in the following cities to ensure a representative analysis of regional economic diversity: Lviv, Dnipro, Odesa, Kharkiv, Vinnytsia, Chernivtsi, Krivuy Rih and Kremenchuk.
5. Recommendations:
- Draft high level legislative recommendations to close identified gaps
 - Develop action plan for re-launching municipal bonds (should be develop in consultation with IFIs, Associations of local self-government, government and MPs)
 - Organise and conduct (budget for the venue, catering and broadcasting will be provided by EU4Reconstruction separately) in public off-line high-level presentation of report and action plan

Deliverables

Nº	Deliverable / Output	Timeline	Notes
1	Inception Report: Detailed methodology and final list of interviewees	July 2026	Submitted to EU4Reconstruction by email; The structure of the research should be approved by the EU4Reconstruction

2	Legal & EU Benchmarking Paper: Analysis of UA law and EU best practices.	July 2026	Submitted to EU4Reconstruction by email
3	Stakeholder Consultation & Gap Report: Summary of interviews and identified gaps	August 2026	Submitted to EU4Reconstruction by email
4	Final Recommendation and Action Plan	September 2026	Submitted to EU4Reconstruction by email
5	Offline high-level presentation of report and action plan	September 2026	Budget for the venue, catering and broadcasting will be provided by EU4Reconstruction separately

Qualification and key staff

The assignment shall be implemented by a qualified Contractor with demonstrated experience in conducting researches in the sphere of local self-government, economy and finance. The Contractor may be an private entrepreneur, a consortium of experts, a company, or a non-governmental organisation.

The Contractor may propose additional experts or short-term specialists if required to ensure full coverage of the Scope of Work. The proposed team composition shall be clearly justified in the technical proposal and will be assessed during the evaluation process. Any changes to key experts during implementation shall require prior written approval from EU4Reconstruction Stream 2.

Core team:

Key Expert 1: Senior Financial Markets Expert (Team Lead)

General Qualifications:

- master's degree in Finance or Economics or related field;
- at least 10 years of experience in municipal finance or debt capital markets;

Adequacy:

- strong knowledge of Ukrainian local self-government and public financial institutional frameworks;
- experience in scenario-based financial modelling;
- ability to identify market infrastructure "bottlenecks".
- Fluency in Ukrainian and English

Key Expert 2: Senior Legal Expert

General Qualifications:

- master's degree in Law, Public Administration or related field;
- at least 7 years of experience in working with spheres of finance, bonds or national regulations;
- experience in conducting regulatory assessments and drafting of regulations;
- fluency in Ukrainian
- English proficiency is an advantage

Key Expert 3: Municipal Infrastructure Expert

General Qualifications

- master's degree or higher in Economics, Finance, Public Finance, Public Administration, or related field

- minimum 7 years of professional experience in municipal infrastructure designing
- experience working with public institutions or local governments on budgeting, financial planning
- strong understanding of Ukraine's public finance system and Public Investment Management (PIM) principles
- ability to prepare analytical inputs for strategic and policy documents
- fluency in Ukrainian
- English proficiency is an advantage

Budget and timeframe

The maximum budget for this assignment is **EUR 15,000**, inclusive of all taxes and applicable expenses. This includes all project-related costs such as data collection, consultations, workshops, and basic printing/technical materials. Proposals exceeding the maximum budget will be rejected.

The assignment is expected to be completed within **3 months of contract signature**. The implementation period is from July 2026 to September 2026.

60 working days is the total number of core team engagements for this assignment.

Payment shall be made in a maximum of two instalments:

- First instalment (up to 30%): upon contract signature and submission of updated work plan and methodology, and completion of the kick-off meeting (Deliverables 1–2)
- Final instalment (up to 70%): upon submission of the Final Recommendation and Action Plan, including all supporting deliverables.

Reporting and management

The Consultant's performance shall be assessed based on the successful delivery of outputs as defined in the Objectives, Scope of Work, and Deliverables sections of this ToR.

The Consultant shall ensure strict confidentiality of all information received or generated during the assignment. All materials, data, and outputs produced under this Contract shall be used exclusively for the purposes of this assignment and shall not be disclosed to third parties without prior written consent.

All intellectual outputs produced under the Contract shall remain the property of the contracting authority unless otherwise agreed.

The Consultant will report to the Team Leader of the Municipal Component, who will be responsible for reviewing and approving all deliverables.

How to apply

The deadline for submitting the proposal is **22 June 2026, 18:00 Kyiv time**.

All interested candidates should submit the following documents in English:

1. Completed [Annex 1](#), including: CV for core team (Section 3), Supplier's Technical Proposal / Methodology (Section 4) and Workplan (Sections 5).

2. Financial offer ([Annex 2, forms 1 and 2](#)) in EUR, including daily fee and other related expenses (taxes, if applicable).

If these documents are not submitted in line with the requirements above, the bid will not be considered.

The proposal shall include the aforementioned information and should be submitted within the above deadline to EU4R@um.dk cc to tarslu@um.dk indicating the subject line: "Municipal bonds".

Bidding language: English.

Any clarification questions regarding the terms of reference should be addressed to EU4R@um.dk cc to tarslu@um.dk , not later than 15 June 2026, 18-00 Kyiv time.

Evaluation criteria

Bids will be evaluated under the criteria provided below:

#	Criteria	Weight
1	Relevant experience according to the CV	60%
2	Proposed budget according to the financial offer	20%
3	Technical Proposal / Methodology	20%