Stream 2
Municipal component

Terms of Reference

for the provision of Corporate Governance Assessment of Municipal Enterprises Communal Enterprise "Kremenchuk Trolleybus Administration named after L.Ya. Levitan" (KTA) and Communal Enterprise of Vinnytsia City Council "Vinnytsia Miskteploenerho" (VMTE)

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 of Lithuania – CPVA (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.

The assignment concerns specific output of EU4Reconstruction`s Stream 2, namely targeting the municipal enterprises in two partner cities – Kremenchuk, and Vinnytsia – for capacity development in corporate governance in alignment with OECD Guidelines on Corporate Governance of State-Owned Enterprises (2024 edition). Within this mandate, the intervention aims to assess the corporate governance status of selected municipal enterprises and develop concrete action plans to introduce OECD-aligned governance practices in two partner enterprises: Communal Enterprise "Kremenchuk Trolleybus Administration named after L.Ya. Levitan" (KTA) operating in public transportation, and Communal Enterprise of Vinnytsia City Council "Vinnytsia Miskteploenerho" (VMTE), operating in the provision of heating.

Objective

The objective of this assignment is:

(1) to conduct a comprehensive Corporate Governance Assessment (CGA) of the municipal enterprises KTA and VMTE

(2) to develop, on the basis of the CGA findings, a corporate governance action plan for each enterprise, including the Supervisory Boards` members` profiles.

<u>Scope of work</u>

The scope of work covers all activities required to achieve the above-stated objective, including but not limited to:

Phase 1. Introductory work and methodology.

Presentation of the **updated work plan, methodology** and considerations for performing the assignment to the Municipal Component Team of EU4Reconstruction and the city administrations during the Kick-Off Meeting.

The proposed methodology is subject to agreement with EU4R prior to the commencement of field work. The assessment methodology shall be indicator-based and shall include a quantitative scoring scale ensuring comparability of results across the project's partner cities. Moreover, the Consultant shall propose a detailed field work plan as part of the Technical Proposal, including the approach to conducting interviews and engaging with stakeholders.

The questionnaire and specific assessment criteria shall be part of the methodology. To develop the methodology, the Consultant should address to the relevant legislation, OECD standards and developed materials in the sphere of corporate governance.

The Technical Proposal shall also explain how the proposed approach relates to the methodologies used in previous corporate governance assessments and integrity assessments at comparable MoEs in other partner cities of the project and justify any differences in approach.

The Technical Proposal shall describe the data collection and analysis methods, including the approach to conducting stakeholder surveys (consumers, city council staff, MoE employees), working with open sources and the enterprises' internal documentation, as well as legal analysis. EU4R expects the proposed approach to take into account sector-specific considerations in the areas of public transport and district heating.

As the ultimate objective, the assessment methodology shall enable the Consultant to answer the following questions:

- What is the level of the MoE's readiness to implement the OECD corporate governance principles?
- Who must take what actions and when to introduce corporate governance principles so as to ensure their sustainability for the MoE?

Phase 2. Corporate Governance Assessment provision.

The Consultant shall adhere to the agreed **CGA methodology**. The Consultant is expected to carry out a significant part of the assessment on-site, in close contact and cooperation with the MoE representatives and other key stakeholders, including the city administration. At least one visit is expected to be conduct to each enterprise to implement the phase 2 activities.

The Consultant may propose a questionnaire structure guided by, but not limited to, the following thematic areas:

General Governance:

- Mandate and responsibilities of various governance bodies
- Organisational structure
- Decision-making process and procedures
- Strategic and medium-term planning.
- Key performance indicators (KPIs) and performance monitoring
- Reporting mechanism (financial and non-financial)
- Cooperation with international financial institutions and international donors
- Remuneration and incentives at the enterprise

Ethical Aspects:

- Code of conduct
- Conflict of interest provisions and practices
- Implementation of anti-corruption policy

Corporate Governance:

- Status of implementation of corporate governance elements introduced by the OECD and national legislation
- Procedures and approaches to the appointment of ME management and determination of their remuneration fund
- Internal control mechanism
- Internal and external audit
- Risk management and compliance
- Cooperation with the owner

During the analysis, the Consultant shall use various information sources: documents, regulations, consumer surveys (individuals and legal entities), experts, employees, representatives of international technical assistance projects, etc., in accordance with the plan agreed at the commencement of the assignment.

After the provision of the assessment the Consultant will deliver the report describing the results of the assessment, the way of the application of the previously agreed methodology and findings obtained. The report should be delivered in Ukrainian and English (Tahoma, Font size 10).

Phase 3. Corporate Governance Action Plans (CG Action Plan) elaboration.

The Consultant shall develop **a structured CG Action Plan** for the implementation of OECD-aligned corporate governance at each enterprise, covering the actions to be provided for:

- Improvement of the accountability and transparency of the enterprise;
- Implementation of OECD-aligned corporate governance elements by the enterprise and the owner;
- Improvement of the governance`s efficiency.

In addition, the Consultant shall develop **Supervisory Board members` profiles** for each enterprise, reflecting the principle of collective diversity in accordance with OECD Guidelines. Profiles shall address: gender balance (recommended maximum 60% representation of one gender); diversity of professional expertise (finance, sector-specific experience, law, general management); and diversity of candidate sources (business sector, civil society, academic environment). The Consultant shall justify the proposed profiles in terms of ensuring collective competence and composition diversity.

As part of the assessment, the Consultant shall evaluate whether any potential structural reorganisation of the enterprise — including but not limited to changes in service mandate, organisational scope, or consolidation with other service providers — is under consideration by the city administration. Where such a scenario is identified and confirmed with EU4Reconstruction and the relevant city administration during the assessment phase, the Consultant shall develop Supervisory Board member profiles under two scenarios:

- Scenario A. The enterprise operating within its current service mandate and organisational scope.
- Scenario B. The enterprise operating with a materially expanded service mandate and organisational scope reflecting the identified reorganisation scenario.

The Consultant shall clearly identify which profile requirements differ between the two scenarios and provide justification with reference to the expanded scope of operational oversight, financial complexity, and regulatory environment applicable under Scenario B. Where no structural reorganisation scenario is identified or confirmed for a given enterprise, the Consultant shall develop profiles under Scenario A only.

The Consultant shall present and explain the corporate governance action plan to the management of each MoE and the city administration in the format of a validation workshop. The presentation will be provided offline according to the preliminary agreed with EU4R Project Manager visit plan and agenda. The costs (rent premises, catering etc.) for organisation and conduction of the validation workshop will be covered by EU4R separately if needed.

The Consultant shall prepare final report, comprising the major findings from each MoE, subject to EU4R approval. The structure of the reports shall be developed by the Consultant and agreed with EU4R.

Across all phases, the Consultant will:

- Act as a trusted technical counterpart to the EU4Reconstruction Project Manager, sharing interim findings in real time and adapting the assessment approach based on feedback;
- Ensure close coordination and continuous communication with the EU4Reconstruction team throughout the assignment;
- Support the adaptation and practical application of Corporate Governance assessment methodology to the context of each enterprise;
- Promote knowledge transfer within the EU4Reconstruction team to support informed programme decision-making.

<u>Deliverables</u>

Deliverables are presented in Table 1 below, together with an indicative schedule. All deliverables are expected to be provided in electronic and printed form, unless otherwise agreed. Electronic copies shall be sent by email to the designated EU4R contact person.

Table 1: Summary of Deliverables / Outputs and Indicative Submission Schedule.

№	Deliverable / Output	Deadline	Note
1	The Workplan	August 2026	According to the Phase 1 of the Scope of work. Subject to agreement with EU4R prior to the commencement of field work. English and Ukrainian versions.
2	CGA methodology	September 2026	According to the Phase 1 of the Scope of work. Subject to agreement with EU4R prior to the commencement of field work. English and Ukrainian versions.
3	Corporate Governance Assessment Reports for KTA and VMTE.	September 2026	According to the Phase 2 of the Scope of work. Subject to EU4R approval. Ukrainian version. Each report includes an assessment across the following dimensions: governance structure, ethical aspects, corporate governance. At least one visit to each enterprise to be conducted.

№	Deliverable / Output	Deadline	Note
4	Corporate Governance Action Plans for KTA and VMTE with Supervisory Board members` profiles for each enterprise.	October 2026	According to the Phase 3 of the Scope of work. Subject to EU4R approval. Ukrainian version. A presentation within the offline validation workshop of the findings and results is conducted to EU4R and representatives of cities` administrations and municipal enterprises. At least one visit to each enterprise to be conducted.
5	Final Report.	November 2026	Summary of all activities and results delivered under the contract. English and Ukrainian versions. "Documents, transcript (a recording may be used) of the Contractor's interviews and meetings with MoE and city administration representatives shall also be attached."

All deliverables shall be submitted to EU4Reconstruction by email. The language of each deliverable (Ukrainian, English, or bilingual) is stated at the table above.

Qualification

The above-described assignment is expected to be carried out by a qualified team of technical experts. The overall experience of the Consultant should include at least 2 implemented assignments on corporate governance activities in state and / or municipal enterprises. The Consultant's core team is proposed to include the following profiles but may be a subject according to the proposed methodology. The Consultant can suggest own composition, which will be enough for the assignment`s fulfilment:

- Team Leader: responsible for overseeing and ensuring the quality of the entire process, processing and analysing collected data, and ensuring the quality of key deliverables, contributes to the development of the corporate governance model and absorbs the role of the legal expert.
- Corporate Governance Expert: responsible for developing the methodologies described in the tasks above and ensuring the quality of assessments conducted using the developed methodologies,
- HR Expert: responsible for the elaboration of the Supervisory Board members` profiles.

Note: CVs of core team members only will be required at the application stage. More specific requirements for each of the above three profiles are set out below. In addition to the Team Leader and two experts, a number of data analysts, technical experts and assistants may be required to ensure timely completion of tasks. The Consultant shall decide how many additional team members will be required and what their roles and responsibilities will be. The Consultant will be required to submit an implementation plan and description of the Consultant's team, detailing how the Consultant will organise and carry out the assignment.

Requirements for Team Leader:

- General qualifications: Master's degree or higher in law, corporate governance, public administration, or a related field. Demonstrated senior-level experience (at least 10 years) in corporate governance advisory, institutional reform, or public sector governance, with a specific track record in engagements involving state-owned or municipally-owned enterprises. In-depth knowledge of the Ukrainian corporate governance and regulatory framework applicable to municipal enterprises, including relevant legislation application.

- Team Leader's suitability: Experience of at least two previous assignments as Team Leader in the corporate governance assessment and institutional development projects for public sector entities, covering project design, multi-expert team coordination, quality assurance, stakeholder engagement, and delivery of final analytical and policy outputs.
- Regional experience and languages: Relevant regional experience. Fluency in Ukrainian and English.

Requirements for Corporate Governance Expert:

- General qualifications: Master's degree in law or a related field. Preference is given to a master's degree or higher qualification in corporate governance, business ethics or a related discipline. Demonstrated experience in implementing and overseeing corporate governance structures, policies and procedures. Familiarity with international corporate governance principles, standards and best practices, such as those defined by the OECD, ICGN or similar bodies.
- Suitability for the assignment: At least two recent assignments in projects of a similar nature within the past three years.
- Regional experience and languages: Relevant regional experience. Fluency in Ukrainian.

Requirements for HR Expert:

- General qualifications: Minimum bachelor's degree in management, human resources, organisational psychology, law, or another field related to the assignment. Preference is given to candidates with experience at the intersection of corporate governance and executive talent management. Demonstrated work experience (at least 8 years) in human resources advisory, executive search, or corporate governance consulting, with specific exposure to the public sector, state-owned or municipally-owned enterprises. In-depth knowledge of Supervisory Board composition principles under OECD Guidelines on Corporate Governance of State-Owned Enterprises, including requirements for independent membership, competitive selection procedures, and collective competence assessment.
- Suitability for the assignment: At least two recent assignments within the past five years involving the development of Supervisory Board member profiles, board competency matrices, or board selection criteria for state-owned, communal, or publicly controlled enterprises. Demonstrated understanding of board diversity principles, including functional diversity (finance, sector expertise, law, general management) and gender balance requirements. Experience working with city administrations or central government bodies on governance reform or board formation processes is an asset.
- Regional experience and languages: Relevant regional experience. Fluency in Ukrainian.

<u>Budget and timeframe</u>

The maximum budget for this assignment is **EUR 30,000,** 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 implemented over a period of up to 5 months, with the final Assessments, Action Plans and Supervisory Board members` profiles completed within 4 months of contract signature.

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 (Deliverable 1);
- Final instalment (up to 70%): upon submission of the final Assessments and Action Plans, 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 Project Manager to Support the Institutional Development of Municipal Enterprises, who will be responsible for reviewing and approving all deliverables.

How to apply

The deadline for submitting proposals is **30 July 2026, 18:00 Kyiv time.**

All interested candidates should submit the following documents in English:

1. Completed Annex 1, including: CV for Key staff, Supplier's Technical Proposal including field work approach and stakeholder engagement plan, Workplan.
2. Financial offer (Annex 2, forms 1 and 2) in EUR, including daily fee and other related expenses.

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

The proposal shall be submitted within the above deadline to EU4R@um.dk cc to nazata@um.dk indicating the subject line: "Corporate Governance Assessment – Kremenchuk and Vinnytsia". Bidding language: English.

Any clarification questions regarding the terms of reference should be addressed to EU4R@um.dk cc to nazata@um.dk, not later than 25 July 2026, 18:00 Kyiv time.

Evaluation Criteria:

#	Criteria	Weight
1	Portfolio and experience	40%
2	Qualification of core team	40%
3	Proposed budget	20%