***Appendix 1***

**Terms of Reference for Consultant to provide update of the Methodology of Corruption Risk Assessment in EUACI's Ukrainian partner cities**

Date: 21-September-2023

The Consultant must perform the Services following the Client's requirements.

## **Background and context**

The European Union Anti-Corruption Initiative (EUACI) in Ukraine is a joint EU and Government of Denmark financed programme aimed at supporting Ukraine to reduce corruption at the national and local level through the empowerment of citizens, civil society, businesses, and state institutions. In May 2020, the EUACI entered into its phase II that runs till mid-2024.

The EUACI has three components supporting anti-corruption reforms from different angles:

Component 1, supporting key state anti-corruption agencies in improving their effectiveness and independence;

Component 2, supporting selected integrity cities in the efforts to strengthen their integrity, transparency, and accountability; and

Component 3 supports Ukraine's civil society, media, and business community to increase awareness of and engagement in anti-corruption activities.

This specific assignment concerns the EUACI's support for Integrity Cities (Component 2).

It is in this context that the EUACI is seeking a Consultant (consulting firm or a consortium of organizations) that can work closely with the EUACI and its partner cities to update and improve methodology of corruption risk assessment.

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

**The partnership with Integrity Cities**

The six integrity cities with which the EUACI has entered into a partnership under its component 2 are Chernivtsi, Chervonograd, Mykolaiv, Nikopol, Zhytomyr and Mariupol.

During phase 1 the EUACI worked with these cities to further strengthen their systems and tools for enhancing integrity, transparency, and accountability. The partnership continues in the current II phase of EUACI, focusing on the continued development of the various integrity tools launched during phase one and the implementation of new tools agreed for phase II.

One of these tools is the corruption risk assessment. With this tool, the EUACI partner cities wish to continue rising the accountability and transparency of the city councils, minimizing the negative consequences of integrity risks and delivering better services to the citizens.

**Updating and improving the Methodology of the Corruption Risk Assessment**

The Integrity Cities requested the EUACI to assist in updating and improving the Methodology of the corruption risk assessment. The update and improving of the methodology is necessary for the development of new Municipal Integrity Plans (MIPs) in the Integrity Cities.

An Integrity Plan is both a strategic and an operational reference document consolidating local framework for effective prevention and fight against corruption. The Municipal Integrity Plan is based on the existing legal framework and is guided by the national anti-corruption regulatory framework. It builds on the findings of the corruption risk assessment and provides for a systemic corruption prevention framework both at strategic as well as operational levels. It is aimed at reducing corruption risks through targeting identified risk areas in a systemic manner, which includes elements of quality control and compliance oversight, prioritization of risks, strengthening of integrity culture and practices and resource allocation. The new MIP (Municipal Integrity Plan) will continue this best practice.

The experience of developing previous integrity plans and their implementation has yielded tangible results in the prevention and minimization of corruption risks.

The aim of this assignment is to provide support to local city councils and executive committees to minimize the risk of corruption, establish sound and transparent procedures, and innovative solutions, which will enhance the efficiency and integrity of city administrations, as well as allow citizens, local civil society, and journalists to monitor the work of local administrations.

**Technical Assistance**

These Terms of Reference (ToR) are intended to meet the partner cities' need for technical assistance with the Updating Methodology of Corruption Risk Assessment.

## **Purpose**

The purpose of the assignment is to carry out updating corruption risk assessment methodology as part of the EUACI’s support to strengthen integrity, transparency and accountability in the Integrity Cities.

## **Objective**

The objective of the assignment is to update methodology on corruption risk assessment, previously developed by UNDP and applied in Zhytomyr, Chervonohrad and Nikopol, which shall include but not be limited to the review of the indicators, interview forms, templates for review of legal acts, etc. The Consultant shall comprehensively update each indicator and create new ones in the existing areas and develop a list of indicators in a new area. More details below.

## **Scope of work**

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

**Kick-Off:**

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

**Enhancing Corruption Risk Assessment Methodology:**

The Consultant has to update and improve the corruption risk assessment methodology, previously developed by UNDP and applied in Zhytomyr, Chervonohrad and Nikopol. The existing methodology contains a detailed analysis, a list of indicators (and reference values for them) of the following areas:

1. public procurement
2. land resources
3. management of communal property
4. architecture and urban planning
5. anti-corruption activities

The task of the consultant is to comprehensively update each indicator in the areas listed above and to develop a list of indicators in a new area – socio-economic infrastructure (hereinafter the “Key Areas”).

A comprehensive assessment of the condition and effectiveness of the use and development of the socio-economic infrastructure will enable the community governance at the macro level to improve its efficiency, provide the community management with a comprehensive picture of direction, ensure better control and support of the activities of strategic municipal enterprises, assess goals and potential growth points, address challenges related to full-scale invasion, and as a result, continue to enhance the quality of services to the population and businesses. Additionally, a comprehensive view of the socio-economic infrastructure and a defined action plan to improve its efficiency will facilitate the better implementation of activities related to the Integrity Assessment of municipal owned enterprises in Integrity Cities.

Improvement of the methodology need to be conduct based on:

1. Analysis of legal and institutional framework;
   1. Overview and analysis of human resources policies and procedures;
   2. Overview and analysis of other selected relevant information (experts' reports, disciplinary measures etc.);
   3. In-depth interviews (can be conducted online) with relevant stakeholders with focus on the Key Areas (optional);
2. Preparation of recommendations of the identified corruption risks adhering to the next structure: indicator, indicative basic value, justification, best practices, data sources for analysis.
3. Improvement of the list of identified corruption risks and preparation list of identified corruption risks in Infrastructure.

For the methodology update and improvement, the Consultant shall use the following documents:

1. the Guide on Conducting Corruption Risk Assessments in Public Organizations (United Nations Office on Drugs and Crime, Vienna, 2020)[[1]](#footnote-1)
2. Corruption risk management methodology approved by the order of the National Agency for the Corruption Prevention from 12.28.2021 No. 830/21

For this assignment, the Consultant shall be guided by logic, principles, assessment management steps etc. written in the above mentioned documents, but not necessarily limited to them.

1. In the process of the methodology improvement, possible suggestions and recommendations from EUACI, the National Agency of Corruption Prevention in Ukraine (NACP), Minister of Community Development, Territories and Infrastructure, should be taken into account. The recommendations provided by the mentioned parties should be shared and agreed with EUACI.

**Reports:**

The Consultant shall present work plan and assignment implementation strategy to EUACI Component Team for consideration

Based on conducted assessments the Consultant shall prepare final methodology on corruption risk assessment with preparation of the list of identified corruption risks and recommendations for mitigation

The Consultant shall present and explain updated methodology to the management of Component 2 EUACI Program.

## **Deliverables (outputs)**

The deliverables are presented in Table 1 below, along with a tentative timeline.

All deliverables are expected to be delivered in soft and hard copies unless otherwise agreed upon. Soft copies shall be submitted via e-mail to the indicated EUACI contact person.

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

| **#** | **Deliverable/Output** | **Timeline** | **Note** |
| --- | --- | --- | --- |
| 1 | Consultant's **work plan**, showing approximate timing for the start and completion of the activities listed under the scope of work section. | 2 weeks | To be submitted to the EUACI contact person by e-mail prior to presentation during Kick-Off meeting  English and Ukrainian versions |
| 2 | Updated and improved **Methodology** of the corruption risk assessment | 8 weeks | Subject for EUACI's approval  English and Ukrainian versions |
| 3 | **Preparation of the pptx for public presentation** of the methodology | 2 weeks | Shall be a joint presentation involving EUACI |
| 4 | **Final report** | 2 weeks | A summary of all activities and outputs delivered under the contract. English version |

The timelines indicated in the table above refer to the Consultant’s performance. Therefore, the above-mentioned timelines do not include the time required for EUACI approvals.

The Consultant will review and update the timelines for different activities updating the Consultant's work plan accordingly. During the Kick-Off meeting with the EUACI Component Team, the Consultant's updated work plan will be discussed, including the proposed timeline for the different activities and for the submission of deliverables.

## **Timing**

The expected duration of the assignment is 14 weeks, starting from October 2023.

## **Methodology**

The Consultant will work under the supervision of the EUACI Senior Good Governance Consultant.

Based on consultations with the EUACI staff and the needs identified in the documentation provided from partners, the Consultant will prepare the work plan and send them to the EUACI Team Leader for Component 2 for approval at least a full month ahead of time.

The Consultant's work plans shall be output-based, specifying the outputs the Consultant will be delivering or contributing to, the activities that will be carried out, and the input required in terms of workdays.

## **Payment and Monitoring**

Payments will be made upon the request of the contractor based on the actual completion of tasks explained above.

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

**Qualifications and Competence of Staff**

The assignment described above is expected to be carried out by Consultant with involvement of a qualified team of technical experts if needed.

**Requirements to the Consultant**

General qualifications:

* Master's degree or equivalent in public administration, law, finances, or another related field that demonstrates the ability to perform the duties and responsibilities as described.
* Proven track record (no fewer than 3 years) of managing the teams and ensuring the quality of compliance assessments, business processes reviews for legal entities (preferably state or municipally owned) over the past five years.
* Proven expertise in updating, improving and developing the Methodologies (anti-corruption programs) in the field of the corruption risk assessment is an asset.
* Experience in development of compliance or corruption/integrity risks indicators is an asset.
* Proven track record (no fewer than 3 years) of working in teams that conduct transparency and accountability reviews or compliance checks, business processes assessments or corruption/integrity risks assessments is an asset.

Adequacy of the Team Leader:

* A track record of a minimum of 2 earlier assignments as Team Leader for compliance assessments, business processes reviews for legal entities (preferably state or 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

* Relevant working experience in the region.
* Fluency in Ukrainian as well as English.

**Management**

The Consultant is responsible for the timely delivery of the outputs required in the required quality and quantity, and for the internal management of the Consultant's team.

The EUACI will appoint a contact person who will be responsible for the management of this assignment from the side of the EUACI, including for any correspondence with regard to the implementation of the assignment and for issues related to the agreement between the Consultant and the EUACI. The Consultant will report to and ensure that the appointed contact person is copied in on all relevant communication related to the assignment, including correspondence with all the partner cities and any other stakeholder.

**Background documents**

The key background document is the Programme Document for EUACI, Phase II, the Development Engagement Documents (DED).

Consultant in the preparation of documents obligated to take into account the related local regulations, national legislation, including NACP policies and methodologies.

The Consultant must take into account the Methodology and indicators previously developed by UNDP and applied in Zhytomyr, Chervonohrad and Nikopol. The research “Corruption risks in the city council: how to assess and minimize” is [here](https://drive.google.com/file/d/12CzL-0rBPFScyK-LZmju7BseMoPaIiy-/view?usp=sharing).

**Bidding details**

The bidder must submit the following information to be considered:

1. The CV (no more than three pages long) that should include a description of the previous relevant assignments, and key duties on this assignment.
2. A portfolio that includes a list of assignments similar to this project executed in the last five years.
3. A budget for the services in euros, inclusive of all taxes or other such charges.

The contract budget cannot exceed 30,000 euros.

**How to apply**

The deadline for submitting the proposals is 24 October 2023, 18:00 Kyiv time.

The proposals shall be submitted within the above deadline to dmyiak@um.dk, indicating the subject line “Consultant to provide update of the Methodology of Corruption Risk Assessment”.

Bidding language: English or Ukrainian

Any clarification questions for the bid request should be addressed to dmyiak@um.dk, no later than 17 October 2023, 18:00 Kyiv time.

**Evaluation criteria**

Bids will be evaluated under the criteria provided below:

|  |  |  |
| --- | --- | --- |
| **#** | **Criteria** | **Weight** |
| 1 | Portfolio of completed assignments | 20% |
| 2 | Relevant experience, skills and competencies | 60% |
| 3 | Proposed budget | 20% |

1. [STATE OF INTEGRITY: A GUIDE ON CONDUCTING CORRUPTION RISK ASSESSMENTS IN PUBLIC ORGANIZATIONS (unodc.org)](https://www.unodc.org/documents/corruption/Publications/2020/State_of_Integrity_EN.pdf) [↑](#footnote-ref-1)