

Terms of Reference for Corruption Risks Assessment

1. Background

Endemic corruption remains to be one of the major impediments for democratic and economic development of Ukraine. In 2016 Ukraine ranked at 131 according to Corruption Perception Index by Transparency International.¹

Support of anti-corruption efforts in Ukraine is a high priority for Denmark and the rest of the EU contributing to the enhancement of democracy, as well as future economic growth and trade between Ukraine, Denmark and the rest of the EU Member States. The EU Anti-Corruption Initiative (EUACI) is the largest EU supported programme in the area of anti-corruption in Ukraine so far. The overall objective of the EUACI is to improve implementation of anti-corruption policy in Ukraine, thereby ultimately contributing to a reduction in corruption.

EUACI is aimed at: 1) strengthen the capacity of the newly created anti-corruption institutions; 2) enhance external oversight over the reform process by the Verkhovna Rada; and 3) enhance the capacity of local government, civil society, and media to contribute to the fight against corruption.

Component 3 focuses on combatting corruption at the local and regional level as well as on enhancing the voice of rights holders, including youth. A key element of component 3 is the application of the concept of 'Integrity Cities'. This component aims at showcasing how application of several mutually supportive anti-corruption interventions can limit the corruption risks and enhance accountability in a selected number of medium-sized cities. Moreover, the aim is to disseminate the success-stories throughout the country and to feed the lessons learned into programmes and reform-packages at the national level.

According to the 2016 Global Corruption Barometer survey, one of the most corrupt groups in Ukraine is the local government representatives (55% of respondents).²

In 2016, the percentage of people who think that the municipal authorities have facilitated citizens' participation in decision-making processes ranges from 5% to 36% depending on the region. However, when asked whether they are ready to join the process on providing detail for

¹ 2016 Corruption Perception Index

https://www.transparency.org/news/feature/corruption_perceptions_index_2016

² 2016 Global Corruption Barometer <https://ti-ukraine.org/en/publications/one-in-three-ukrainians-are-ready-to-refuse-to-pay-bribes/>

proposals for the city council, there were only 10% to 40% positive responses depending upon the region.³

During the last two years, an extensive number of cities and municipalities in Ukraine have tested different interventions and tools which enhance transparency and civic oversight, through application of: open data, participatory budgeting, smart city software, information cards, one-stop-shop service centers, anti-corruption master plans, and the establishment of civic oversight committees with participation of CSO representatives.

EUACI's consultants have compiled all the interventions and tools in a comprehensive package – an anti-corruption toolbox – which will be implemented in the EUACI 'Integrity Cities' (up to 6 cities) based upon a functional analysis of the corruption risks.

In these 'Integrity Cities' EUACI is committed to reshaping the relationship between public institutions and citizens by establishing more efficient procedures and processes, greater transparency and more participative mechanisms aimed at enhancing accountability.

EUACI will be measuring the progress of its interventions in the selected cities by assessing changes in citizens perception that local self-government has become more transparent and accountable.

The programme – EUACI – is financed by EU and co-financed by Denmark and implemented by Danida/Denmark using the indirect implementation modality. A programme office has been established in Kiev, with four internationals and seven national staff, who is responsible for the day-to-day implementation.

2. Objectives of the Assignment

The objectives of this assignment are that the tenderer (hereinafter called "the Consultant) shall perform a comprehensive assessment of corruption risks in Chernivtsi, including mapping of integrity risk areas and recommended measures for integrity/corruption risks mitigation. The Consultant will provide recommendations and findings and present them to the EUACI.

3. Scope of Work and Outputs

The Consultant will primarily support the EUACI by conducting targeted in-depth interviews with key city authorities with key external partners as well as users of city services, other members of the public and civil society organizations to review and define possible solutions based on the potential risks within the city governments.

What should be taken into consideration are the following:

- grounded opinion on the probability of corruption and related information;
- findings of social surveys;
- opportunity for one employee to make a decision with regard to public funds and other assets;
- independence and discretion of employees in making decisions;
- level of monitoring over employees and structural units;
- requirements to comply with the normal operational procedure;
- level of staff rotation (cyclical change);
- documentation requirements applied to operations and concluded transactions;
- external and internal auditing of state or municipal entities;
- framework for the adoption and assessment of legislation;

³ 2016 Ukrainian Municipal Survey http://www.iri.org/sites/default/files/wysiwyg/municipal_poll_2016_-_public_release.pdf

- other information which can lead to the rise of corruption

. The tasks of the Consultant will primarily be:

- Analyse best international practices of conducting the functional analysis of corruption risks in local self-government;
- Draft functional corruption risks analysis methodology and obtain EUACI approval of it;
- Conduct a functional corruption risks analysis of local self-government. The Consultant shall analyse Chernivtsi beginning in January 2018.

4. Deliverables

The following deliverables will be expected:

- A methodology on corruption risk assessment in local self-government in English and Ukrainian;
- A report on Chernivtsi which includes mapping of integrity risk areas and recommended measures for integrity/corruption risks mitigation in English and Ukrainian;
- A presentation on the corruption risk analysis in English and Ukrainian.

5. Methodology

The EUACI will be directly involved in the Consultant's work over the project implementation. Substantial involvement can include, but is not limited to the following:

- Approval of the risk assessment methodology;
- A tailored model of corruption risk assessment produced and an outline of the methodology proposed
- Approval of the Consultant's implementation plan;
- During the course of implementation of tasks, the Consultant shall ensure that the work addresses the issues of women, young men and women, as much as is possible.

6. Qualification Requirements

The assignment requires an experienced and flexible consultant with solid thematic experience within the areas of governance and CSOs development and management:

General qualifications:

- Relevant university degree in a discipline relevant for the position;
- Minimum of 5 years relevant professional experience;
- At least one year of experience in working on similar projects in Ukraine

Adequacy for the assignment:

- Proven extensive knowledge of corruption phenomenon, efficient mechanisms for its combating and prevention;
- Knowledge of effective mechanisms for identifying and reducing corruption in city governments;
- Practical experience in risk assessment and/or anti-corruption expertise of the regulatory framework;
- Extensive demonstrated experience in developing analytical studies/reports related to public procurement/corruption risks in public sector;
- Effective communication and strong analytical skills;
- Fluency in Ukrainian and English.

7. Proposal (Financial, Methodology and Workplan)

The Tenderer's financial proposal shall include all costs for fee and project related reimbursable expenses. The Tenderer's proposal shall include draft methodology, and work plan.

The total budget for the Contract under this Terms of Reference **shall not exceed EUR 33,000.00**

8. Timeframe

It is anticipated to start implementation of this assignment in January, 2018 and to complete it no later than early March, 2018, with a possible extension thereafter.

9. Deadline for proposals submission is **8 December, 2017 17:00 Kyiv time.**

How to apply

The proposals shall be submitted within the above deadlines to Barbara James, barjam@ukraine-aci.com

Clarification questions

Questions for the Request for Bid should be addressed to Bogdan Boyko, bboyko@ukraine-aci.com no later than **1 December, 2017 17:00 Kyiv time.**