

---

## Terms of Reference

### Mitigation of Economic Risks Related to Energy Transition in Ukraine

---

The Extractive Industries Transparency Initiative (EITI), together with the Ukraine Extractives Industries Transparency Initiative (UAEITI) is seeking a consultant to produce a report using EITI data to mitigate the economic risks from energy transition in Ukraine. The EITI International Secretariat has agreed to engage the services of the consultant to undertake the tasks assigned in the Terms of Reference.

#### 1. Background

The EITI is a global standard that promotes transparency and accountability in the oil, gas, and mining sectors. Countries implementing the EITI draw on revenues from oil, gas, and minerals to meet the energy and development needs of their citizens. Additional information is available from <http://www.eiti.org>.

The transition to a sustainable, low-carbon economy is gaining momentum and will reshape the extractive industries. It has profound implications for the kinds of data, disclosures, and dialogues required to support accountability and good governance in resource-rich countries. The EITI supports its 56 implementing countries and multi-stakeholder groups in building awareness of the energy transition to come, making use of data that is available, and working with supporting countries and partners to achieve sustainable outcomes. There is a substantial opportunity to make use of data generated through the EITI – potentially in combination with other datasets – to inform public debate and policy decisions on transition pathways.

The EU aims to be [climate-neutral by 2050](#) with an economy that generates net-zero emissions. This objective is at the heart of the European Green Deal and aligned with the EU's commitment to global climate action under the Paris Agreement. Ukraine's Association Agreement does not reflect EU's recently adopted Green Deal and therefore needs to be amended to reflect significant changes in EU policy. This would empower the Government of Ukraine to develop a legislative basis for Ukraine's energy transition and climate action agenda.

In view of the above and within the framework of the Paris Agreement and Ukraine's goals to reduce greenhouse gas emissions, some Ukrainian mining companies have aimed to implement technologically innovative solutions for economic growth and reduction of greenhouse gas emissions into the atmosphere. The metal ore mining industry generates the most greenhouse gas (CO<sub>2</sub>) emissions, while the largest amount of pollutant emissions into the atmosphere is produced by the coal and lignite mining industry – 341.7 thousand tons and 290.7 thousand tons, respectively<sup>1</sup>.

On 24 February 2022, the Russian Federation launched a full-scale military assault against Ukraine. Since 24 February, the Parliament has enacted the martial law, affecting all sectors of

---

<sup>1</sup> EITI Report of Ukraine 2020

the economy and normal life of civilians. The ongoing war has already significantly affected the country's economy, including the extractive sector. Energy security and diversification of energy sources, including energy transition become more urgent priorities.

Despite some companies already published their decarbonization strategies, it is expected that the economy of Ukraine will suffer losses due to the carbon-neutral agenda and to a greater extend due to ongoing war. There is a public necessity to identify and estimate the main dimensions of potential negative earnings.

## 2. Objectives of the assignment

A consultant will be engaged by the EITI International Secretariat with support from USAID to support UAEITI in research and data analysis related to the risk mitigation from energy transition in Ukraine. The main objective is to use UAEITI reporting and other relevant publicly accessible sources to address questions around revenue optimization, public finance, and risks and opportunities for Ukraine related to the energy transition agenda. The consultant must have deep knowledge and expertise in the Ukrainian extractive sector, relevant legislation and energy transition to produce a report with the following objectives:

1. Use EITI data and other publicly accessible relevant sources to construct a model for potential revenues and revenue losses due to the adopted energy transition policy in Ukraine, taking into consideration consequences of the ongoing war
2. Develop policy recommendations for how Ukraine could manage any revenue shortfalls considering the goal of a just transition.

The consultant will be expected to work with EITI International Secretariat, the UAEITI national secretariat and MSG, and other stakeholders as may be determined in the course of the assignment. The consultant may wish to engage a local legal expert to advise on relevant legislation and help develop amendments to the Association Agreement. Such engagement should be included into the financial proposal. The consultant will work under the supervision of the Country lead at EITI International Secretariat and report directly to both the Country lead and the Regional Director.

## 3. Scope of assignment

The consultant will be expected to undertake the following tasks:

### 1. Research and analysis

- i. Review UAEITI reporting and data with a focus on transportation revenues (Requirement 4.4), production (Requirement 3.2), and export data (Requirement 3.3) as well as any other EITI data sets deemed necessary for the study.
- ii. Analyze existing data sets to model revenue forecast/revenue losses.
- iii. Where possible, analyze the data on extractive industries damage/loses caused by the military assault in Q1-2 2022 and how would affect the timeline for energy transition.

- iv. Review EU and Ukrainian legislation relevant to the energy transition including the 2050 long-term strategy and any relevant legislation related to energy security.
- v. Review the EU-Ukraine Association agreement and any existing EU-Ukraine agreements related to the energy transition and climate change.
- vi. Conduct consultations with relevant stakeholders in Ukraine and internationally, recommended by the EITI International Secretariat and UAEITI.

## 2. Results and interpretation

a) Based on the scope of the assignment produce and present a report in English and Ukrainian. The report should include the following components:

- i. Recommendations and concrete amendments to the EU-Ukraine Association Agreement to align it with the European Green Deal and the Paris Agreement EU commitments. This should also include a roadmap to amend the Agreement and proposed timeline.
- ii. Identified potential revenue losses in the economy of Ukraine due to the energy transition policy, taking into consideration the ongoing war.
- iii. Identified potential benefits for Ukraine from energy transition and strengthened energy security. Including analysis of potential new revenue streams arising from the energy transition policy.
- iv. Any additional recommendations to the government related to the energy transition.

b) Present the final report to the MSG and wider stakeholders.

## 4. Deliverables and timetable

The assignment is expected to take up to 40 non-consecutive consultancy days between June and August 2022. The proposed schedule is set out below and should be agreed upon in consultation with the EITI International Secretariat and UAEITI.

Conduct research and analysis as set out in the scope of assignment section.	June 2022
Conduct stakeholder consultation	June 2022
Share the draft report with the UAEITI, EITI International Secretariat and the MSG.	July 2022
Deliver an online presentation to Ukrainian MSG and stakeholders that concisely explains key findings and recommendations of the report.	August 2022
Deliver a presentation to the EITI global network of implementing countries focused on how the project used EITI data and reporting	August 2022

to develop insight and recommendations for managing revenues in the energy transition.	
--	--

## 5. Consultant's qualifications

The consultant should be a prominent firm, organization, or individual(s) that the EITI International Secretariat and UAEITI consider to be credible, trustworthy, and technically competent.

### The consultant must demonstrate:

- Familiarity with the EITI Requirements and ability to use EITI data disclosures to deliver insight and policy recommendations.
- Experience of similar jobs in the past.
- Demonstratable prior experience in EITI projects.
- Proven prior experience in the extractive sector in Ukraine.
- Fluency in English and Ukrainian is a prerequisite.

The consultant may involve a partner organization/individual with knowledge of Ukrainian legislation, local context, etc. To ensure quality and independence in the undertaking, the consultant must, in their technical and financial proposals, disclose any potential or actual conflicts of interest, together with a comment about how they may be avoided.

## 6. Administrative support

The EITI International Secretariat would provide the following support to the project:

- Providing regular oversight and input to the development of the report, through regular calls and email exchanges.
- Providing the necessary background information and input as needed.
- Any other support required for the project.

## 7. Administrative arrangements

A Consultant will be selected following a quality and cost-based selection procedure. Consultants should submit:

- A **Technical Proposal**, outlining: (a) the experience of the firm / Consultants, (b) the proposed methodology and work plan in response to the Terms of Reference (TORs) and (c) the key experts' qualifications and competence. The Technical Proposal should not include any financial information. Technical proposals containing material financial information shall be declared non-responsive.
- A **Financial Proposal**, clearly indicating a lump sum financial proposal of all costs associated, with applicable taxes. The daily rate for the Consultant fees should be clearly indicated. The Financial Proposal should be sent as a password protected PDF file. The passwords should not be sent. The passwords will be requested following the assessment of the technical proposals.

Proposals must be delivered by email to [skasimova@eiti.org](mailto:skasimova@eiti.org) by close of 8 June 2022.

The Consultant will be assessed based on their experience relevant to the assignment, adequacy and quality of the proposed methodology, and work plan in responding to this TOR as well as the key experts' qualifications and competence based on section 6 of this TOR.

The weights given to the Technical (T) and Financial (P) Proposals are:

T = 70%

P = 30%

Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) as following:  $S = St \times T\% + Sf \times P\%$ .

Contract negotiations will be held with the highest-ranked firm. If contract negotiations are unsuccessful, negotiations will be held with the next highest-ranked firm.

#### Reference materials :

- EU-Ukraine Association Agreement  
[https://trade.ec.europa.eu/doclib/docs/2016/november/tradoc\\_155103.pdf](https://trade.ec.europa.eu/doclib/docs/2016/november/tradoc_155103.pdf)
- Paris Agreement <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>
- Ukraine's EITI Reports and Summary Data Files
- EITI Standard 2019 <https://eiti.org/document/eiti-standard-2019>