**non-governmental organization**

**Terms of reference (Tor) for services procurement**

**COAL INDUSTRY REFORM Expert**

**Date of procurement announcement №1.09: 20.10.2021**

**BENEFICIARY:** MINISTRY OF ENERGY OF UKRAINE

# Summary

The European integration development direction which has been chosen by Ukraine requires a transformation of the national energy policy due to the environmental challenges the world is currently facing.

Ukraine implemented several regulations on reforming, modernizing, restructuring, and reindustrializing the coal industry and the coal regions of Ukraine. At the same time, the experience of other countries (Great Britain, Germany, Australia, the Netherlands, the Czech Republic, Poland, Greece, and Romania) shows the feasibility of implementing such a model of development as "just transition". It is aimed at planning the development of territories (regions) that will be affected by the fossil fuel phase-out, closely linked to social justice and fair employment, ensuring a decent life and income for all workers and communities.

Based on the approved Concept of Transformation of Coal Regions of Ukraine for the period up to 2030 (Annex 1), it is envisaged to solve current issues, in particular, in the economic, energy, social, housing, utilities, and environmental spheres.

The concept implementation is projected through the development and approval of the State Program for the Transformation of Coal Regions of Ukraine in 2021 for the period up to 2030 and respective action plans for it.

To support the Government of Ukraine in the implementation of the reform on transforming the coal regions of Ukraine, the GoLocal NGO (hereinafter - GoLocal) intends to sign an agreement with an external expert. The Terms of Reference (hereinafter - ToR), *inter alia*, involves cooperation with Project beneficiaries, including subject ministries, local authorities, coal mining companies, and other stakeholders, in close collaboration with other Project experts and GoLocal to effectively develop the coal transformation policies, including a comprehensive coal reform in Ukraine, analysis of socio-economic development of coal territories, as well as fundraising and communication strategies.

# Main activities and deliverables

*Coal Industry reform* *expert will be responsible for providing the following services:*

1. Development and strategic planning of the development program of pilot mines for the period up to 2030, taking into account the needs of the energy sector of the economy and just transition government policy;
2. Analysis of the activity of selected state-owned coal mining enterprises, their production potential and analysis of financial statements;
3. Data analysis with clear establishment of priorities for enterprise closure, taking into account economic and technological feasibility;
4. Analysis and coordination of the preparation of selected coal mining enterprises for the reform of the coal industry, particularly:
* Costs analysis for technological closure of mines (incl. factor analysis, feasibility study)
* Improvement of state support system for coal enterprises;
1. Development of recommendations for amendments to the regulatory framework for the preparation of coal mining companies to reform the industry and create appropriate conditions for attracting private investment.

*Expected deliverables:*

1. Recommendation to the draft of National energy strategy until 2050:
2. Recommendation to the Strategy plan of the development program of pilot mines for the period up to 2030, taking into account the needs of the energy sector of the economy and just transition government policy;
3. Analysis of the activity of selected state-owned coal mining enterprises, their production potential and analysis of financial statements, and respective outcomes with recommendations;
4. Costs analysis report for technological closure of pilot mines;
5. Proposals as to priorities for coal mining enterprise closure with description of the procedure;
6. Recommendations for amendments to the regulatory framework for the preparation of coal mining companies to reform the industry and create appropriate conditions for attracting private investment.

In the course of the Project implementation, minor changes and additions regarding the scope of services and deliverables provided may occur.

# Reporting

All reports must be provided in English and Ukrainian in a digital format with the ability to edit in standard software formats. In case of discrepancies, the Ukrainian version prevails.

For reporting purposes, the Applicant submits the following documents:

* Invoices;
* Acceptance Acts;
* Timesheet;
* Monthly report on the results of services provided (Progress Report) subject to Section 2.

Reporting for provided services and supporting documentation: monthly, quarterly, semi-annual, annual (within five working days after the end of the relevant reporting period).

The results must be provided in compliance with professional standards, expected content, and quality.

The Applicant must ensure close cooperation and transparent communication with GoLocal throughout the term of the Agreement.

All templates of submitted documents for the reports will be provided upon the signing of the Agreement.

# Payment

GoLocal establishes that the maximum amount for the Consulting Services Agreement of a Coal Industry Reform Expert makes EUR 9 900 per 4.5 months or EUR 2 200 per month.

The Agreement envisages monthly payment based on the results of the services provided and subject to a respective approval by GoLocal.

# Place of Project Performance

The main location for Project Performance is Ukraine.

*Business trips*

Since the Project implementation is concentrated on the target areas of the coal industry (Lviv, Donetsk, Luhansk, and Volyn) to carry out the required measures, at least two business trips to these areas are required, and one business trip abroad is possible (for this reason, a valid foreign passport is required).

However, given the current and possible future limitations associated with COVID-19, the Applicant is expected to make the most of online tools.

Travel expenses are not covered by GoLocal.

# Project Implementation Period

Project Implementation Period: 4,5 months, from 15 November 2021 till 01 April 2022.

# Preferred qualifications

*Education:*

* Master`s/bachelor`s degree or equivalent in economy, accounting, law, public policy or other relevant fields

*Expertise:*

* 12 years of experience at management positions in the coal industry enterprises
* 20 years of relevant experience in coal industry enterprises
* Experience in cooperation with government officials, international donors and organisations and non-state actors will be an asset
* at least two recommendations from previous employers/customers/contractors in similar activities

*Languages:*

* English: Fluent
* Ukrainian: fluent

The successful bidder must undergo an online interview via Zoom to verify the level of the English language (the interview will be recorded).

*Other skills:*

* strong organizational and time management skills
* ability to work under pressure, think critically and strategically under challenging conditions to promote development objectives, and meet deadlines

# Application process

*The tender proposal shall include:*

1. copies of registration documents for legal entities and individual entrepreneurs:
* extract from the USR on state registration,
* taxpayer's certificate,
* other documents, if any,

*Note: in the absence of official registration the Applicant shall provide a guarantee letter to register officially before signing the Service Agreement.*

In case of signing the Service Agreement with the selected expert, duly certified copies of registration documents must be provided to the address: pr@golocal-ukraine.com.

1. Technical Proposal containing:
	1. CV
	2. Concept, in which the Applicant will demonstrate how the objectives set out in Section 2 is to be achieved; describe the key processes and necessary stages of deliverables; describe the measures that the expert will provide for a smooth work process. Besides, the Applicant must prepare a Project Implementation Plan subject to the format set out in Annex 2.
	3. Portfolio of relevant projects (at least two, which best suit the nature of the Project), in which the Applicant played a significant role, with a brief description of these projects and the role of the Applicant (in one coherent and cohesive document, up to five pages). Proposals without a portfolio are not considered.
2. Commercial Proposal set out in Annex 3 (including all taxes, fees, and contributions).

Tender documents must be drawn up in Ukrainian and English, signed by the Applicant, with the date indication, stamp (if applicable), and sent to pr@golocal-ukraine.com by 23:59 on November 10, 2021, in the electronic (scanned) format in two separated parts, namely:

* The first letter shall consist of registration documents and the Technical Proposal (e-mail marked “Coal industry reform expert. Technical Proposal”);
* The second letter shall consist of a Commercial Proposal (e-mail marked “Coal industry reform expert. Commercial Proposal”).

! Should an Applicant's e-mail contain both technical and financial offers in one letter, this may serve as a ground for disqualification of the bid!

*Personal Data*

*The Applicant agrees to the personal data processing under the Law of Ukraine "On Personal Data Protection" for their applications for participation in the tender to be considered and the appropriate decision made by GoLocal.*

# Selection

A three-stage procedure is used to evaluate the Proposals.

In the first stage, the Applicant will be checked in UA, UN, and/or EU sanctions lists (youcontrol.com.ua). Should an unsuccessful verification occur, the Applicant is disqualified.

In the second stage, the Technical Proposal is evaluated under the Terms of Reference (ToR), and the following Evaluation Criteria.

In the third stage, the Commercial Proposals of all bidders who have scored at least 455 points (out of max. 650) for the evaluation of Technical Proposals under the following criteria are considered.

The weight ratio within the total score for technical and financial evaluation is 70/30.

The contract shall be awarded based on the total score of the weighted evaluation of both offers. If at the time of the contract conclusion the Contractor is unable to accept the contractual obligations defined in the tender documentation, GoLocal shall have the right to conclude the contract with the next-rated bidder.

Optimal requirements for the experience and qualification of the expert are listed in Section 7 of the ToR.

#  Evaluation criteria of Tender Proposal

|  |  |  |
| --- | --- | --- |
| **Evaluation of Tender Proposal** | **Max. possible score** | **The score of the Applicant** |
| **1** | **Experience of the Expert** |  |  |
| 1.1 | Higher education in economy, accounting, law, public policy or other relevant fields (Bachelor's degree – 70 points; Specialist/Master's degree or higher – 100 points) | 100 |  |
| 1.2 | Experience at management positions in the coal industry enterprises (3-5 years – 40 points, 6-8 years – 60 points, 9-11 years – 80 points, 12 years and more – 100 points) | 100 |  |
| 1.3 | Overall experience in coal industry enterprises (5-10 years – 40 points, 10-15 years – 60 points, 15-19 years - 80 points, 20 years and more – 100 points) | 100 |  |
| 1.4 | Experience in cooperation with government officials, international donors and organisations and non-state actors (to the extent in place – 50 points) | 50 |  |
| 1.5 | Portfolio of relevant projects/works/services (at least two that best meet the nature of the Assignment; 1 project – 25 points, 2 projects and more – 50 points) | 50 |  |
| 1.6 | Availability of recommendations from previous employers/customers/contractors containing similar activities (1 recommendation – 25 points, 2 recommendations and more – 50 points) | 50 |  |
| **2** | **Concept and Project Implementation Plan** |  |  |
| 2.1 | Does the proposed Concept adequately meet the objectives and scope of work?(Generally meets the objectives and the scope is overestimated/underestimated – up to 50 points; Meets the objectives, but the scope is overestimated/underestimated – up to 75 points; Describes the algorithm for meeting the objectives logically and in detail with a commensurate scope of work – up to 100 points) | 100 |  |
| 2.2 | How well detailed and realistic is the work plan? (The developed work plan contains separate inconsistencies and low realistic – up to 50 points; The work plan is well designed but lowly realistic – up to 75 points; there are well-designed work plan and approach, which meets the conditions of reality – up to 100 points) | 100 |  |
|  | **Intermediate score per Technical Proposal** | **650** |  |
| 3. | **Commercial Proposal** | **279** |  |
|  | **Total score** | **929** |  |

# Annex 1

APPROVED by the
resolution of the Cabinet of Ministers of Ukraine
from 22.09.2021 #1024

**CONCEPT OF THE
STATE TARGET PROGRAM OF JUST TRANSITION OF COAL REGIONS OF UKRAINE FOR THE PERIOD UNTIL 2030**

**Identification of the problem to be solved by the Program**

The European integration vector of development chosen by Ukraine requires reforming the state energy policy due to the environmental challenges facing the world today. The increase in greenhouse gas emissions, including carbon dioxide, leads to an intensification of global warming and the spread of negative effects of climate change both in Ukraine and in the world as a whole. The world community sees the response to these challenges in reducing the consumption of fossil fuels by using them more productively and replacing them with renewable energy sources.

For many decades, the main energy sources in Ukraine have been the extraction of non-renewable natural resources, such as natural gas, coal, etc. However, due to changes in the environmental situation, global trends, price conditions, the introduction of new technologies, the share of non-renewable resources in the energy balance of Ukraine is declining. This is especially true of fossil fuels such as coal.

Under this Concept, coal regions are defined as regions in which coal industry enterprises are located, including those in the process of liquidation, conservation or reorientation to other economic activities, and coal-fired heat generation enterprises, regardless of ownership. In total, it is about 20 territorial communities of Volyn, Dnipropetrovsk, Donetsk, Luhansk and Lviv regions, where about 850 thousand inhabitants live. Territorial communities of coal regions depend on the enterprises of the coal industry and coal heat generation, in some of them coal remains the only available energy source.

In recent years, Ukraine has tended to decline in coal production.

The projected capacity of coal mining by state mines is 32.6 million tons per year, and the actual production in 2020 was only 4.7 million tons of ordinary coal. The cost of commercial coal products in state-owned mines averages over 4,000 UAH per ton at a market price of 1,350 UAH per ton. State-owned coal mining companies are unprofitable and require constant financial support from the state budget. Almost two thirds of the units of the main stationary equipment of state mines have served the standard service life. During the period from 2015 to 2019, state-owned mines received UAH 12.3 billion in budget funding for all programs. The actual direct subsidy to miners in 2020 was 5.6 billion UAH, or 75 percent of the wage bill. State funding per employee in 2019 amounted to 124.3 thousand UAH. The available subsidies do not cover losses from coal mining in state-owned mines, which leads to the accumulation of accounts payable. Due to the unsatisfactory financial condition of state-owned mines, there are constant delays in the payment of wages, and the accumulation of arrears on the payment of a single contribution to the obligatory state social insurance. This leads to an exacerbation of socio-economic tensions in the mining regions and an increase in the burden on local budgets and underfunding of most planned activities.

The low level of diversification of the local economy of coal communities hinders the attraction of investment, as up to 70 percent of the total employed population works in coal mining or related mono-enterprises or in the social sphere, which serves the urban infrastructure. This leads to a critical dependence of local budgets on the tax revenues of coal mining enterprises, which account for 50 to 70 percent of the total revenues to the budget of the local community.

In Luhansk and Donetsk oblasts, in addition to economic imbalances, there are risks to doing business due to the armed aggression of the Russian Federation. According to the State Statistics Service, the volume of capital investment per capita in Luhansk region in 2020 was 12.5 percent of the average Ukrainian level, in Donetsk - 60.5 percent.

Issues of quality of social services provided to the population of coal regions are relevant. Thus, according to focus groups held in the mining cities of Donetsk region by the Friedrich Ebert Foundation in Ukraine, the Center for Environmental Initiatives "Ecodia" and the USAID project "Economic Support to Eastern Ukraine", access to health care is an important issue for most respondents.

Residents of communities in the coal regions complain about the low quality and high tariffs for utilities, the deterioration of the housing stock, and problems with the removal of household waste. It is also worth noting the problems of infrastructure development, in particular: poor quality of local and municipal roads, lack of street lighting, physical deterioration of public transport, lack of places for cultural recreation and leisure, etc.

These problems are exacerbated by the unsatisfactory environmental situation in coal regions related to mine activities (air pollution, water bodies, waste heaps within cities, increased radiation background, safety violations during flooding of mines that cease operations) and the use of coal for heating, which leads to dangerous emissions into the air.

To overcome the negative trends and problems of socio-economic development of coal regions, the coal industry reform of Ukraine must be accompanied by a "just transition" of such territories.

Just transition is a model of regional development that provides a decent life and sufficient earnings for all residents, including workers who will be affected by the process of abandoning fossil fuels (liquidation of production facilities, closure of coal mining enterprises, etc.).

In pursuance of the Paris Agreement to the UN Framework Convention on Climate Change, ratified by the Law of Ukraine of July 14, 2016 № 1469-VIII, Ukraine prepared an Updated National Defined Contribution of Ukraine, approved by the Cabinet of Ministers of Ukraine from 30.07.2021 № 868, which provides for emission reductions greenhouse gases by 65% in 2030 from 1990 levels and achieving climate neutrality by 2060.

The initiative for the just transition of coal regions is now widely supported by international organizations and other governments. Thus, in 2020, the World Bank launched an exchange of experience and support for pilot projects under the Platform to Support the Transformation of the Coal Regions of the Western Balkans and Ukraine. The German-Ukrainian Energy Partnership, launched in 2020, also agreed on a number of joint strategic initiatives to reform the coal industry and transform the coal regions.

This Concept was developed by:

taking into account the objectives of the operational goal 2 "Preservation of the environment and sustainable use of natural resources, strengthening the development of areas in need of state support (macro and micro level)" strategic goal I. "Formation of a cohesive state in social, humanitarian, economic, environmental, security and spatial dimensions ”of the State Strategy for Regional Development for 2021-2027, approved by the resolution of the Cabinet of Ministers of Ukraine of August 5, 2020 № 695;

taking into account the tasks set by the Energy Strategy of Ukraine for the period up to 2035 "Security, energy efficiency, competitiveness", approved by the order of the Cabinet of Ministers of Ukraine dated August 18, 2017 № 605;

taking into account the tasks set by the National Economic Strategy for the period up to 2030, approved by the resolution of the Cabinet of Ministers of Ukraine of March 3, 2021 № 179;

taking into account the tasks provided by the Concept of economic development of Donetsk and Luhansk regions, approved by the order of the Cabinet of Ministers of Ukraine of December 23, 2020 № 1660;

to implement the protocol decision based on the results of the All-Ukrainian Meeting of Coal Industry Workers of Ukraine of February 25, 2020 with the participation of the President of Ukraine;

in pursuance of paragraph 8.1 of the Program of Activities of the Cabinet of Ministers of Ukraine, approved by the resolution of the Cabinet of Ministers of Ukraine of June 12, 2020 № 471;

to implement the protocol decision based on the results of the meeting of the Coordination Center for the Transformation of Coal Regions of Ukraine of October 8, 2020;

to implement item 312 of the Government's priority action plan for 2021, approved by the order of the Cabinet of Ministers of Ukraine of March 24, 2021 № 276.

Analysis of the causes of the problem and
justification of the need to solve it by software

Due to the active development of new technologies, alternative energy sources, changes in the energy market, as well as insufficiently effective formation and implementation of state policy in the field of support for the coal industry in previous years in the relevant areas there was a tense situation, in particular economic, social, housing and environmental spheres, which may deteriorate due to the beginning of reforms in the country's energy sector, namely the coal industry.

Given this, the following problems need to be addressed:

low level of investment attractiveness and practically no diversification of the local economy in the coal regions;

unprofitable state enterprises of the coal industry;

ineffective state policy in the field of employment and education, health care and culture in coal regions;

 poorly developed social and critical infrastructure in the settlements of coal regions;

deterioration of the environmental situation due to the operation and / or closure of coal enterprises;

social tensions among the population of the territories where coal enterprises are located, which are in the stage of liquidation, conservation or reorientation to other types of economic activity.

Planning and implementation of the transformation of coal regions require the development of an appropriate comprehensive program focused on the needs of the people, as well as to diversify the regional economy.

Ensuring the well-being, social cohesion of the population and the competitive level of socio-economic development of communities is planned through coordination and interaction between central and local executive bodies, local governments, partnerships with business and the public, cooperation with donors and investors.

Implementation of energy efficiency measures, introduction of the latest technologies will help reduce energy consumption, conserve resources, reduce carbon dioxide (CO2) emissions and, accordingly, slow down the growth of utility tariffs for industry and the population.

This will make it possible to use the existing local potential, ensure the sustainable development of the local economy, implement innovative solutions for the benefit of the population of coal regions, which wants to have prospects for a better future.

Purpose of the Program

The goal of the Program is to implement the state regional policy and ensure fair transformation of coal regions of Ukraine by comprehensively solving problematic issues, in particular in the economic, social, cultural, housing and communal and environmental spheres, which arise due to reduced coal production and gradual closure of coal and related enterprises.

Determining the optimal solution to the
problem based on a comparative analysis of possible options

There are three options for solving the problem.

The first option envisages leaving the current situation unchanged (increasing state support for partial coverage of coal mining enterprises and the lack of targeted state support for the development of coal-dependent territories).

The disadvantages of this option are a further reduction in the efficiency of coal mining companies, reduction of coal production, increasing debt of coal companies to workers, contractors and the budget, lack of state social guarantees for miners, which can lead to negative social consequences in coal regions, environmental threats.

This will further lead to the need to significantly increase the cost of budget funds to overcome the negative consequences.

The second option provides state support for the reform of the coal industry without participation in the processes of economic diversification of monofunctional territories and regional development.

The advantage of this option is the beginning of the transformation of the coal industry, the main goal of which is to reduce emissions so as to ensure the transition to a climate-neutral economy by reducing fossil fuel production and reducing greenhouse gas emissions.

The disadvantages of this option are the insignificant impact on the interests of residents, businesses, executive authorities and local governments of coal regions. Reducing coal production and reforming the coal industry without a gradual transition to other alternative economic activities in the coal regions will further worsen the investment attractiveness of the coal regions and social tensions.

The third option envisages diversification of the local economy and increasing the level of socio-economic development of coal regions of Ukraine by implementing the State Target Program for Just transition of Coal Regions of Ukraine for the period up to 2030 (hereinafter - the Program). are in the process of closing coal mining and coal processing enterprises "operational goal 2" Preservation of the environment and sustainable use of natural resources, strengthening the development of areas in need of state support (macro and micro level) "strategic goal 1" Formation of a cohesive state in social, humanitarian, economic, environmental, security and spatial dimensions” of the State Strategy for Regional Development for 2021-2027.

The proposed option is optimal and effective, as it provides a gradual, phased and agreed with key stakeholders (central and local executive bodies, local governments, population, NGOs, international partners) model of transformation of coal regions of Ukraine by comprehensive problem solving. issues, in particular in the economic, social, cultural, housing and communal and environmental spheres.

Coordination of actions of state executive bodies and local self-government bodies will be carried out, in particular on adoption of necessary normative legal acts, implementation of priority (pilot) regional development projects in the direction of transformation of coal regions, taking into account interests of all stakeholders, world experience. This option is realistic provided that it is adequately funded by the state and local budgets, other sources not prohibited by law, as well as with the involvement of international technical assistance.

Ways and means of solving the problem, the
term of the Program

The main prerequisites for the just transition of the coal regions of Ukraine are:

broad public dialogue - open discussion by representatives of state executive bodies and local self-government bodies of all problematic issues that need to be resolved, with representatives of trade unions, their associations, employers' organizations, scientific, expert and business environment;

gradual - no shock measures and simultaneous dismissal of employees of coal enterprises without the simultaneous creation of new jobs or social guarantees;

synchronicity of different processes - attracting new investors, creating new jobs, retraining of employees, etc. are carried out comprehensively and with the prior consent of central and local executive bodies, local governments and entrepreneurs;

state budget support - part of the costs associated with the transformation of the coal regions of Ukraine shall be borne by the state;

environmental sustainability - the introduction of a set of environmental measures that will ensure the ecologically balanced functioning of coal regions and allow citizens to effectively exercise their rights to environmental safety;

long-term - the corresponding qualitative changes in the structure of the regional economy through its transformation will last at least until 2030.

The main ways of fair transformation of coal communities are:

creating conditions for investment development:

- support for the development of appropriate engineering infrastructure to attract investment (industrial parks, industrial sites, construction of transport infrastructure, reinforcing power plants, warehouses, etc.);

- introduction of a mechanism to support the implementation of state investment projects related to the elimination of the negative consequences of the liquidation of coal mining enterprises;

- support of investors, creation of databases of objects of greenfield and brownfield, etc.;

improving living conditions, promoting the development of quality and convenient infrastructure:

- repair and construction of roads, in particular of local significance;

- creation of places of cultural recreation, leisure, sports and other public spaces;

- ensuring the provision of quality educational and medical services;

- renewal of the fleet of utilities;

transition to alternative energy sources and increase of energy efficiency in housing and communal services:

- modernization of district heating systems of coal communities, in particular through the use of waste heat of coal enterprises;

- construction and reconstruction of water mains, treatment facilities, deironing and water purification systems;

- management of community energy resources by reducing the dependence of municipal systems on coal and the transition to alternative (renewable) energy sources;

creation of points of economic growth taking into account the available economic and human potential for diversification of the local economy:

- revitalization of former industrial facilities by creating cultural and sports spaces, museums of Ukrainian industry, etc.;

- creation of centers of creative economy, development of pilot projects and stimulation of creation of innovative enterprises;

- implementation of pilot projects to diversify the economy of coal communities;

- provision of services to promote employment and self-employment of the population of coal regions of Ukraine in the same or another area;

re-profiling of vocational education institutions:

- modernization of equipment, development and implementation of training programs for the acquisition of skills in related professions that meet the needs of the labor market and promote the organization of self-employment, etc.;

- dissemination of the form of dual education for employees of the coal and related industries on the basis of vocational education institutions.

solving environmental problems:

- comprehensive land reclamation and ecological restoration of coal-mining regions;

- ensuring the preservation, restoration and balanced use of protected areas;

- ensuring the development of objects and territories of the nature reserve fund;

- reproduction of ecosystems, improvement of land structure;

- ensuring the efficient use of gas (methane) from coal deposits, in particular the production of heat and electricity from gas (methane) from coal deposits (including cogeneration potential) for the needs of coal regions;

- ensuring the development of environmental education, educational activities for the sustainable use of natural resources;

- ensuring the efficient use of mine water (introduction of effective technologies for treatment, disposal and utilization, use in energy systems, etc.).

Expected results of the Program implementation,
determination of its efficiency

Approval of the Program will allow to implement the state regional policy on balanced development of communities of coal regions and gradual reduction of dependence on the coal industry of certain regions of Ukraine by comprehensively solving problems in economic, social, housing and environmental spheres arising from energy reform.

The implementation of the Concept will contribute, in particular:

creating conditions for the diversification of the economy of more than 20 coal communities, where about 850 thousand people live (including
110 thousand children of school and preschool age);

increasing the number of employed people in the real sector of the economy, not related to the coal industry (creation of new jobs and increasing self-employment);

reducing disparities in the development of coal territories, which affects the situation in the regions and quality of life;

increasing the satisfaction of residents of coal cities with heat supply, water supply and water quality services;

renewal of infrastructure facilities of coal communities through the use of efficient sources and funding mechanism within the resource provision of the Program (more than 60 settlements);

creation of three centers of creative economy and infrastructure development for five or more industrial parks (with a total area of over 200 hectares) in the coal regions;

expanding opportunities for professional self-realization of employees of coal enterprises through the introduction of special programs of retraining, vocational training, obtaining second education for further employment;

reducing the dependence of local budgets on taxes and fees paid by coal enterprises (in the first quarter of 2021, such dependence is more than 50 percent);

increase to 20 percent of the share of capital expenditures in the structure of local budgets of coal communities (in the I quarter of 2021, the share of capital expenditures in the budgets of coal communities is 5.7 percent).

Evaluation of financial, logistical, labor
resources required for the implementation of the Program

Funding for the implementation of the Program will be provided from the state and local budgets, as well as from international technical assistance and other sources not prohibited by law.

The amount of expenditures required for the implementation of the Program is determined taking into account the capabilities of state and local budgets for the year during the formation of their indicators.

The detailed amount of material, technical and labor resources will be determined during the development of the relevant tasks and measures of the Program and the action plan to it.

The projected annual need for state budget funds, starting in 2022, is about 400 million UAH.

The implementation of these measures will be carried out gradually within the pilot coal communities, where as of today the liquidation processes of state mines have been started (a feasibility study for liquidation is being developed or other relevant measures are being implemented) by developing transformation plans for each such community.

Thus, according to financial and economic calculations, the estimated total amount of funding for the Program for 2022-2030 is 15.7 billion UAH, of which 3.6 billion UAH from the state budget.

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# Annex 2

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| **IMPLEMENTATION PLAN TABLE /****ТАБЛИЦЯ ПЛАНУ РЕАЛІЗАЦІЇ ПРОЄКТУ** |  |  |
| **Deliverables:**List each deliverable. Please be as specific as possible. Use additional pages if necessary /**Очікувані результати:**Перелічіть всі очікувані результати. Будьте якомога більш конкретними. За необхідності використовуйте додаткові сторінки | **Total number of days per deliverable****Кількість днів на реалізацію очікуваного результату** | **12-Month Project`s Timeline:**Place in an appropriate box a number of days of relevant month (after the Agreement is signed) needed to prepare each deliverable stated in Terms of Reference. **12-місячний графік Проєкту:**Позначте кількість днів відповідного місяця з дати підписання Договору, необхідних для підготовки кожного із очікуваних результатів згідно Технічного Завдання.  |
|  |  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
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| **Total days / Загалом днів** |  |  |  |  |  |  |  |  |  |  |  |  |  |

# Annex 3

Name and Address of Expert

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Ukraine

Tel: + 380(\_\_) \_\_\_\_\_\_\_\_\_\_

e-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**NGO GoLocal**

Commercial Proposal

Referring to your request for procurement of consultancy services on \_\_\_\_\_\_\_\_\_\_\_\_ (role of Expert) I calculate \_\_\_ working days within the period specified in Terms of Reference 1.09 from 20 October 2021 to deliver the required services.

My monthly fee is \_\_\_ EUR.

**The cost of services under the Agreement will be \_\_\_ EUR.**

The offer is valid until 01 January 2022.

Name Surname Date

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_