Terms of Reference:
Study on governance and corruption risks in the renewable energy sector

The Extractive Industries Transparency Initiative (EITI) is seeking a Consultant to produce a study assessing governance and corruption risks in the renewable energy sector. 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 promotes transparency and accountability in the oil, gas and mining sectors. Nearly 60 countries around the world implement the EITI Standard through which they publish timely and comprehensive information on the extractive industries. EITI disclosures include data on revenue flows, licenses and contracts, company ownership, and social and environmental impacts.

The shift to a decarbonised economy has profound implications for EITI countries. Efforts to meet the goals of the Paris Agreement are driving a rapid scale-up in renewable energy. According to the UN Intergovernmental Panel on Climate Change, renewable energy sources such as wind and solar offer the most impactful and cost-effective way to reduce carbon emissions. The International Energy Agency estimates that renewables are set to become the largest source of global electricity generation by 2025.

The renewable energy sector's rapid growth could present governance risks. Challenges were highlighted to the EITI by several renewable energy companies in a series of informal engagements throughout 2022. Company representatives noted concerns related to a lack of transparency in licensing processes and contract terms, arbitrary payment requests from governments, bribery and fraud risks, and strained community relations. A recent review by the U4 Anti-Corruption Resource Centre notes that research on corruption in the energy transition is still sparse, but that challenges are already being observed, including institutional capture, rent-seeking, nepotism, bribery, tender-rigging and collusion.

The EITI is seeking to contribute to efforts to build up an evidence base on governance and corruption risks in the renewable energy sector. The EITI aims to better understand how governance and corruption challenges are manifesting themselves and the extent to which best practices from the extractive industries could have applicability in the renewable energy sector. Ultimately, the EITI is hoping to understand the role it could play in supporting efforts to advance collective action on transparency and good governance in the renewable energy sector.

The EITI's International Secretariat is now commissioning a report that will strengthen understanding of governance and corruption risks in the renewable energy sector and options for mitigating these risks.

2.   Objectives

The study is expected to:
1. Identify and assess governance and corruption risks in the renewable energy sector.
2. Map existing initiatives to strengthen transparency and accountability in the renewable energy sector.
3. Identify options to further strengthen transparency and accountability in the renewable energy sector and the EITI's potential role in supporting such efforts.

3.   Scope of assignment

The consultant is expected to produce a study including the following:

- An **executive summary**, which summarises the study's key findings and recommendations in a concise and compelling manner.
- An **introduction** discussing the study's methodology and scope of research (including the types of renewable energy considered in the research) and a brief explanation of the global relevance of the renewable energy sector within the context of the energy transition.
- **Identification and assessment of governance and corruption risks** related to the development and operation of renewable energy projects. This could include, but is not limited to, risks related to licensing and permitting, revenue collection and management, state participation, environmental impacts, and community relations. The discussion should be grounded in the existing literature on governance and corruption risks in the renewable energy sector as well as the perspectives and experiences of stakeholders interviewed as part of the research process. The analysis should focus on specific trends related to renewable energy projects and draw on real-world examples as much as possible. The analysis should describe how governance and corruption risks manifest themselves and their implications for a range of stakeholders (e.g., governments, companies, communities, and civil society). Where applicable, the research should draw out any specific impacts on marginalised and vulnerable groups, including women and indigenous peoples.
- 2-3 **case studies** illustrating real-world examples of governance and corruption risks materialising around the development or operation of renewable energy projects.
- **Overview of key standards and initiatives to promote sustainability in the renewable energy sector** and an assessment of the extent to which these speak to governance and corruption risks. The analysis should shed light on the level of alignment between these standards and initiatives and the disclosure requirements of the EITI Standard. This review should cover industry or investor standards (e.g., the Green Hydrogen Standard, Hydropower Sustainability Standard) and multi-stakeholder or international organisation initiatives.

- **Recommendations** for how to strengthen transparency, good governance and multi-stakeholder dialogue in the renewable energy sector. This should include options for a range of stakeholders in the renewable energy sector, as well as ideas around the EITI's potential role.
- **Bibliography**
- **List of organisations** interviewed

As part of the scope of the assignment, the consultant is expected to perform the following tasks:

- Prepare and submit an **inception note** containing a high-level outline of the report structure and a description of the proposed approach, scope and research methodology, including limitations, a detailed project timeline, proposed interviewees and an initial bibliography of materials to be reviewed.
- Perform a systematic **desk review of relevant literature** (including grey literature and academic research) on governance and corruption risks in the renewable energy sector. Proposals should clearly describe the anticipated approach to conducting the literature review.
- Perform a **review of existing best practice frameworks and initiatives** in the renewable energy sector.
- Conduct a set of high-quality **interviews** with companies, governments, civil society, international organisations, academia, think tanks, community-based organisations and other relevant stakeholders. Proposals should include an indication of the total number of anticipated interviews, an initial list of potential interviewees, a description of the interview approach and an explanation of how the consultant will ensure diverse perspectives are covered in the interviews (including from women and indigenous communities).
- Develop 2-3 **case studies** of corruption or governance risks materialising around the development or operation of renewable energy projects. Proposals should describe the consultant's criteria for selecting case studies.
- Submit preliminary research findings in the form of a short **summary note** in time for the EITI's Global Conference in June 2023.
- Submit and present a **draft report** to the EITI International Secretariat. This report should be no longer than 20 pages, excluding executive summary and annexes.
- Incorporate EITI feedback on the draft report, potentially over several iterations, and submit a **final version** to the EITI International Secretariat, alongside all data and materials used to inform the study.
- Provide **inputs on the finalisation** of the report prior to publication.
- Participate in a series of meetings with EITI stakeholders and partners to **present the study's findings**.
- **Cover all relevant costs** incurred in the conduct of the study.
- **Perform other tasks** related to those outlined in these Terms of Reference (ToR) necessary to complete the study.

The report will be a public-facing document, to be published through EITI International Secretariat channels including its website. The report is therefore expected to conform to the EITI's communications design principles (see below).

The final report draft to be produced by the consultant should be laid out in a plain Word template. Once edited by the EITI International Secretariat communications team, typesetting, design and translation will be commissioned and undertaken by an external service provider. The final designed report will be produced on an EITI-branded template. In the first and final draft, the consultant should make suggestions for visual components (e.g., infographics and diagrams) which can be used in the design of the final document. The report should be written in a clear and engaging manner and in line with the style guide of the International Secretariat. The final document will acknowledge the consultant as the author but will be a communications product of the International Secretariat.

4. Deliverables and timing

The assignment is expected to take 25-30 consultancy days between April-December 2023. The bulk of work is anticipated between May and July. The proposed schedule is set out below:

Prepare inception note for submission to the EITI International Secretariat	Within one week of the signature of the contract
Review literature and data as set out in the scope of the assignment section.	April-May 2023
Conduct 20-25 interviews with relevant stakeholders	May-June 2023
Deliver summary of preliminary findings	1 June 2023
Deliver the first draft of the report	Mid-July 2023

Deliver the final draft of the report and all data gathered from research and interviews	Mid-August 2023
Review typeset versions for accuracy	Mid-September 2023
Deliver presentations as may be agreed with the EITI Secretariat	September-December 2023

5. Consultant's qualifications

The Consultant should be a prominent firm, organisation or individual(s) that the EITI International Secretariat considers to be credible, trustworthy and technically competent.

The consultant must demonstrate:
- Knowledge of the renewable energy sector, including a strong understanding of investment trends, governance and corruption challenges and key stakeholders.
- Experience of analysing governance and corruption risks. Experience of conducting such analysis specifically in the renewable energy sector is an advantage.
- Understanding of key best practice frameworks, standards and initiatives to promote sustainability in the renewable energy sector.
- Familiarity with EITI Requirements and processes, as well as an understanding of governance and corruption challenges in the extractive industries is an advantage.
- Excellent written communication skills, including a track record of producing high-quality public documents (proposals should include links to such publications).
- Excellent oral communication skills, including the ability to present the findings of the study to various types of stakeholders.
- Prior working experience with EITI is an advantage but not required.

To ensure quality and independence in the undertaking, the consultant must disclose any potential or actual conflicts of interest and comment about how they may be avoided in their technical and financial proposals.

6. Administrative support

The International Secretariat will provide the following support to the project:
- Regular oversight and input to the development of the report, through calls and email exchanges.
- Necessary background information and input as needed (including support in identifying relevant interviewees).
- Document editing, typesetting, design and translation as required.
- Any other support required for the project.

7. Contractual procedure and proposal deadline

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

- A **Technical Proposal**, following the attached template. 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, in USD, of all associated costs, including applicable taxes. The daily rate for 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 by 10 April 2023.
All questions related to the project, its timeline and deliverables should be submitted to skasimova@eiti.org by no later than 3 April 2023.

The criteria for assessing the technical proposals will be based on:

- Experience of the consultant relevant to the assignment, adequacy and quality of the proposed methodology and work plan in responding to the ToR.
- Key experts' qualifications and competence based on the qualification requirements (see section 5 above).

The weighting assigned to the technical proposal (T) and the financial proposal (P) is as follows:
- T = 80 %
- P = 20 %

Proposals will be ranked according to their combined technical (St) and financial (Sf) scores, using the weights [T = weight given to the technical proposal; P = weight given to the financial proposal; T + P = 1] as follows: $S = St \times T\% + Sf \times D\%$.