
GRANT NUMBER TF0C7089

**Facilitation of Resources to Invest in
Strengthening Ukraine Financial
Intermediary Fund
Grant Agreement**

(Co-financing for Second Growth Foundation Development Policy Program)

between

UKRAINE

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

**acting as an Implementing Agency of the Facilitation of Resources to Invest in
Strengthening Ukraine Financial Intermediary Fund**

GRANT NUMBER TF0C7089

**Facilitation of Resources to Invest in Strengthening Ukraine
Financial Intermediary Fund
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between UKRAINE (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”), acting as an implementing agency of the Facilitation of Resources to Invest in Strengthening Ukraine Financial Intermediary Fund (“FORTIS FIF”).

WHEREAS:

- (A) following an international effort to provide development support to Ukraine, funding from the FORTIS FIF for co-financing of the Ukraine Second Growth Foundation Development Policy Program, *inter alia*, has been received for the purpose of providing additional financing to the Recipient as part of an integrated lending operation in support of the Program (as defined in the Appendix to this Agreement);
- (B) the Bank has decided to provide this financing in support of the Program on the basis, *inter alia*, of: (i) the actions which the Recipient has already taken under the Program and which are described in Section I.A of Schedule 1 to the Original Loan Agreement; (ii) the progress achieved by the Recipient in carrying out the Program; and (iii) the Recipient’s maintenance of an adequate macroeconomic policy framework.

The Recipient and the Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix this Agreement.

**Article II
The Grant**

- 2.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed one billion United States Dollars (\$1,000,000,000) (“Grant”).

- 2.02. The Recipient may withdraw the proceeds of the Grant in accordance with the Schedule to this Agreement.
- 2.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article III
The Program**

- 3.01. The Recipient declares its commitment to the Program and its implementation. To this end, and further to Section 2.08 of the Standard Conditions:
- (a) the Recipient and the Bank shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Recipient shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and
 - (c) without limitation upon paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I.A of Schedule 1 to the Original Loan Agreement.

**Article IV
Additional Remedies**

- 4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

Article V
Effectiveness; Termination

- 5.01. This Agreement shall not become effective until:
- (a) the Bank is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient's macroeconomic policy framework; and
 - (b) evidence satisfactory to the Bank has been furnished to the Bank that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.
- 5.02. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.
- 6.02. For purposes of Section 7.01 of the Standard Conditions:
- (a) the Recipient's address is:

Ministry of Finance
12/2 M. Hrushevskoho Str.
Kyiv, 01008
Ukraine; and

(b) the Recipient's Electronic Address is:

Facsimile:

E-mail:

+38 (044) 425-90-26

infomf@minfin.gov.ua

6.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

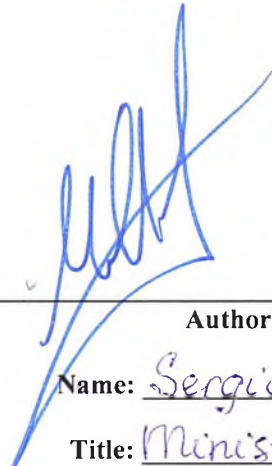
248423 (MCI) or
64145 (MCI)

1-202-477-6391

AGREED as of the Signature Date.

UKRAINE


By



Authorized Representative
Name: Sergii Marchenko
Title: Minister of Finance of Ukraine
Date: December 19, 2024

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Facilitation of
Resources to Invest in Strengthening Ukraine Financial
Intermediary Fund

By



Authorized Representative
Name: Robert J. Saum
Title: Regional Country Director
Date: December 18, 2024

SCHEDULE

Availability of Grant Proceeds

Section I. Availability of Grant Proceeds

- A. General.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (1) Article III of the Standard Conditions; (2) this Section; and (3) such additional instructions as the Bank may specify by notice to the Recipient.
- B. Allocation of Grant Amounts.** The Grant shall be withdrawn in a single withdrawal tranche.
- C. Withdrawal Tranche Release Conditions.** No withdrawal shall be made unless the Bank is satisfied: (1) with the Program being carried out by the Recipient; and (2) with the adequacy of the Recipient's macroeconomic policy framework.
- D. Deposit of Grant Amounts.**
- Except as the Bank may otherwise agree:
1. All withdrawals from the Grant Account shall be deposited by the Bank into an account designated by the Recipient ("Deposit Account") and acceptable to the Bank.
 2. The Recipient shall ensure that upon each deposit of an amount of the Grant into the Deposit Account, an equivalent amount is accounted for in the Recipient's budget management system, in a manner acceptable to the Bank.
 3. The Recipient, within seven (7) days after the withdrawal of the Grant from the Grant Account, shall report to the Bank: (a) the exact sum received into the Deposit Account; (b) the details of the account to which the Ukrainian Hryvnia equivalent of the Grant proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Recipient's budget management systems; and (d) the statement of receipts and disbursement of the Deposit Account.
- E. Audit.** Upon the Bank's request, the Recipient shall:
1. have the Deposit Account audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank;
 2. furnish to the Bank as soon as available, but in any case, not later than four (4) months after the date of the Bank's request for such audit, a certified copy of the report of such audit, of such scope and in such detail as the Bank shall reasonably

request, and make such report publicly available in a timely fashion and in a manner acceptable to the Bank; and

3. furnish to the Bank such other information concerning the Deposit Account and their audit as the Bank shall reasonably request.

F. Excluded Expenditures.

1. The Recipient undertakes that no Grant proceeds or resources shall be used for defense, security, or military purposes, or for any payments made to any defense, security, or military forces.
2. If the Bank determines, at any time, that an amount of the Loan was used to make a payment for either: (a) Excluded Expenditures; or (b) used for defense, security, or military (including any other types of military forces, if such may be relevant) purposes, the Recipient shall, promptly upon notice from the Bank, refund an amount equal to the amount of such expenditures financed by the Bank. All amounts so refunded to the Bank pursuant to the abovementioned request will be subsequently cancelled.

G. Closing Date.

The Closing Date is June 30, 2026.

APPENDIX

Section I. Definitions

1. “Deposit Account” means the account referred to in Section I.D.1 of the Schedule to this Agreement.
2. “Excluded Expenditure” means any expenditure:
 - (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Bank has financed or agreed to finance, or which the IBRD, the IDA or the Bank has financed or agreed to finance under another loan, credit, grant, or any other trust fund credit, or trust fund grant;
 - (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Bank by notice to the Recipient:

Group	Sub-group	Description of Item
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery

897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

- (c) for goods intended for a military or paramilitary purpose or for luxury consumption;
 - (d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Recipient or international agreements to which the Recipient, and any other goods designated as environmentally hazardous by agreement between the Recipient and the Bank;
 - (e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
 - (f) with respect to which the Bank determines that corrupt, fraudulent, collusive, or coercive practices were engaged in by representatives of the Recipient or other recipient of the Grant proceeds, without the Recipient (or such other recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.
3. "Original Loan Agreement" means that agreement for the Second Growth Foundation Development Policy Loan between the Recipient and the Bank dated December 18, 2024.
 4. "Program" means: the program of objectives, policies, and actions set forth or referred to in the letter dated November 19, 2024, from the Recipient to the Bank declaring the Recipient's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule I to this Agreement, and actions to be taken consistent with the program's objectives.
 5. "Signature Date" means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to "the date of the Grant Agreement" in the Standard Conditions.

6. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
7. “TF” means Trust Fund.
8. “Ukrainian Hryvnia” means the Recipient’s national currency.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Sections 2.01 (*Project Execution Generally*) and 2.07 (*Financial Management; Financial Statements; Audits*) are deleted in their entirety, and the remaining Sections in Article II are renumbered accordingly.
2. Paragraph (a) of Section 2.03 (renumbered as such pursuant to paragraph 1 above and relating to *Use of Goods, Works and Services*) is deleted in its entirety.
3. Paragraph (c) of Section 2.04 (renumbered as such pursuant to paragraph 1 above and relating to *Plans; Documents; Records*) is modified to read as follows:

“Section 2.04. *Documents; Records*

The Recipient shall ensure that:

- (c) all records evidencing expenditures under the Grant are retained until two (2) years after the Closing Date; and”
4. Section 2.05 (renumbered as such pursuant to paragraph 1 above and relating to *Project Monitoring, Reporting, and Evaluation*) is modified to read as follows:

“Section 2.05. *Program Monitoring and Evaluation*

The Recipient shall ensure:

- (a) the maintenance of policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Bank, the progress of the Program and the achievement of its objectives; and
 - (b) except as the Bank may reasonably determine otherwise, the preparation and furnishing to the Bank not later than twelve (12) months after the Closing Date, a report, of such scope and in such detail as the Bank shall reasonably request, on the execution of the Program, the performance by the Recipient and the Bank of their

respective obligations under the Grant Agreements and the accomplishment of the purposes of the Financing.”

5. Paragraph (b)(iii) of Section 2.07 (*Visibility and Visits*) (renumbered as such pursuant to paragraph 1 above) is modified to read as follows:

“(iii) enable the Bank’s representatives, and, if requested by the Bank, the representatives of the donor(s): (A) to visit any facilities and sites included in the Program; and (B) to examine any documents relevant to the performance of its obligations under the Grant Agreement.”
6. Sections 3.03 (*Special Commitment by the Bank*) and 3.05 (*Designated Accounts*) are deleted in their entirety, and the remaining Sections in Article III are renumbered accordingly.
7. Section 3.06 (*Eligible Expenditures*) is modified to read as follows:

“The Financing proceeds may be used for any Eligible Expenditures, and the Recipient undertakes to ensure that these proceeds shall not be used for expenditures excluded pursuant to the Grant Agreement.”
8. Section 7.02 (*Action on Behalf of the Recipient*) is modified to read as follows:

“(a) The representative designated by the Recipient in the Grant Agreement for the purpose of this Section, (or any person authorized by such representative for the purpose) (“Recipient’s Representative”), may take any action required or permitted to be taken pursuant to the Grant Agreement, and execute any documents or dispatch any Electronic Document, required or permitted to be executed pursuant to the Grant Agreement on behalf of the Recipient.

(b) The representative so designated by the Recipient or person so authorized by such representative may agree to any modification or amplification of the provisions of such Grant Agreement on behalf of such Recipient by Electronic Document or by written instrument executed by such representative or authorized person; provided that, in the opinion of such representative, the modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Recipient under the Grant Agreement. The Bank may accept the execution by such representative or other authorized person of any such instrument as conclusive evidence that such representative is of such opinion.”
9. The following terms and definitions set forth in the Appendix to the Standard Conditions are modified or deleted as follows, and the following new terms and

definitions are added in alphabetical order to the Appendix to the Standard Conditions as follows, with the terms being renumbered accordingly:

- (a) The definition of the term “Eligible Expenditure” is modified to read as follows:

“Eligible Expenditures” means any use to which the Grant is put in support of the Program other than to finance expenditures excluded pursuant to the Grant Agreement.

- (b) The term “Financial Statements” and its definition as set forth in the Appendix to the Standard Conditions are deleted in their entirety.

- (c) The term “Project” is modified to read “Program”, and its definition is modified to read as follows:

“Program” means the program referred to in the Grant Agreement in support of which the Grant is made. All references to “Project” throughout these Standard Conditions are deemed to be references to “Program”.