

April 12, 2023

H.E. Sergii Marchenko
Minister of Finance
Ministry of Finance of Ukraine
12/2 Hrushevskoho
Kyiv, 01008
Ukraine

**Re: URTF Grant No. TF0C0424 (Restoration Project of Winterization and Energy Resources)
Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Grant Agreement (“Agreement”) between Ukraine (the “Recipient”) and the International Bank for Reconstruction and Development/International Development Association (“Bank”), acting as administrator of the Ukraine Relief Recovery Reconstruction and Reform Multi-Donor Trust Fund, for the above-referenced Project. The Standard Conditions, as defined in the Grant Agreement, provide that the Recipient may from time-to-time request withdrawals of Grant amounts from the Grant TF0C0424 (“Grant”) in accordance with the Disbursement and Financial Information Letter (“DFIL”), and such additional instructions as the Bank may specify from time to time by notice to the Recipient. The Standard Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Grant Funds, and Reporting of Uses of Grant Funds

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017 (“Disbursement Guidelines”), are available on the Bank’s public website at <https://www.worldbank.org> and are an integral part of the Disbursement and Financial Information Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below.

(i) Disbursement Arrangements

The table in **Schedule 1** provides the disbursement methods which may be used by the Recipient, information on registration of authorized signatories, processing of Withdrawal Applications (including the minimum value of applications and advances), instructions on supporting documentation, and frequency of reporting on the Designated Account(s).

(ii) Withdrawal Applications (Electronic Delivery)¹

The Recipient shall deliver Withdrawal Applications (with supporting documents, “Applications”) electronically through the Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effective after the officials designated in writing by the Recipient, who are authorized to sign and deliver Applications, have registered as users of “Client Connection.” The designated officials shall deliver Applications electronically by completing Form 2380,

¹ Section 7.01 (c) of the Standard Conditions

which is accessible through “Client Connection.” By signing the Authorized Signatory Letter, which can be delivered manually or electronically, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by these means. The Recipient may exercise the option of preparing and delivering Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations) and which were previously agreed with the Bank. By designating officials to use SIDC and deliver the Applications electronically, the Recipient confirms through the Authorized Signatory Letter its agreement to (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with the Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank's public website at <https://www.worldbank.org> and “Client Connection” at <https://clientconnection.worldbank.org>; and (b) to cause such officials to abide by those terms and conditions.

II. Financial Reports and Audits²

(i) Financial Reports

The Recipient, through the MoE, shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter interim unaudited financial reports (“IFRs”) for the Project covering the quarter. Where a UN agency is contracted by the Recipient, the Recipient, through the MoE, is responsible to ensure that the financial reporting requirements applicable to the UN Agency are stipulated in the agreement between the Recipient and the UN agency and met in a timely manner.

(ii) Audits

Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Bank by the Recipient, through the MoE, not later than six (6) months after the end of such period. Where a UN agency is contracted by the Recipient, the Recipient, through the MoE, is responsible to ensure that the documentation requirements applicable to the UN agency, for project audit purposes, are stipulated in the agreement between the Recipient and the UN agency.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's public website at <https://www.worldbank.org> and “Client Connection” at <https://clientconnection.worldbank.org>, the Bank recommends that you register as a user of “Client

Connection.” From this website, you will be able to prepare and deliver Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. For more

² Section 2.07 of the Standard Conditions

information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Bank by email at askloans@worldbank.org using the above reference.

Yours sincerely,



Anna Bjerde
Managing Director of Operations

Attachments

1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditure
3. Form of Designated Account Reconciliation Statement

With copies: Project Implementation Unit within the Ministry of Energy
 Project Implementation Unit within the Joint Stock Company National Power
 Company Ukrenergo

Schedule 1: Disbursement Provisions

| Basic Information | | | | | |
|---|---|---|--|-----------------------------------|---|
| Grant No. | TF0C0424 | Country | Ukraine | Closing Date | Section III.B.4 of Schedule 2 to the Grant Agreement. |
| | | Recipient | Ministry of Finance | | |
| | | Name of the Project | Restoration Project of Winte-rization and Energy Resources | Disbursement Deadline Date | Four (4) months after the Closing Date |
| Disbursement Methods and Supporting Documentation | | | | | |
| Disbursement Methods | Methods | Supporting Documentation | | | |
| Direct Payment | Yes | Copy of records (e.g., invoices and receipts) | | | |
| Reimbursement | Yes | Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL | | | |
| Advance (into a Designated Account) | Yes | Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL Designated Account Reconciliation Statement in the format provided in Attachment 3 of the DFIL | | | |
| Special Commitments | Yes | Copy of Letter of Credit (including pro forma invoice(s), if cited in the Letter of Credit) | | | |
| Designated Account | | | | | |
| Type | Segregated | Ceiling | Fixed | | |
| Financial Institution - Name | Joint Stock Company "The State Export-Import Bank of Ukraine" (Ukreximbank) | Currency | US Dollars | | |
| Frequency of Reporting | Monthly | Amount | 150,000 | | |
| Minimum Value of Applications (subsection 3.5) | | | | | |
| The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 30,000 equivalent. | | | | | |
| Authorized Signatures | | | | | |
| <i>Withdrawal and Documentation Applications</i> | | | | | |
| <i>The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</i> | | | | | |
| The form for Authorized Signatory Letter (ASL) is provided in Attachment 1 of this letter. | | | | | |
| The ASL and all Withdrawal Applications with their supporting documentation will be submitted electronically via the Bank's "Client Connection" system. | | | | | |
| Additional Information | | | | | |
| Payments to UN Agencies (if any) may be made through UN Advances (with or without a UN Commitment) disbursement mechanism. In case of a contract with a UN Agency requiring a UN Commitment, an application for issuance of UN Commitment is to be submitted by the Recipient, through the MoE. Subsequent payments and documentation of expenditures under the contract must be made in accordance with the Commitment letter to be issued by the Bank and the contract between the Recipient, through the MoE, and the UN agency. In case of a UN Advance (without UN Commitment), documentation of expenditure should be made once the final invoice is issued and based on the UN Financial Report. | | | | | |

Attachment 1 – Form of Authorized Signatory Letter

Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: [Country Director] ¹

Dear [Country Director]:

Re: URTF Grant No. TF0C0424 (Restoration Project of Winterization and Energy Resources)

I refer to the Grant Agreement (“Agreement”) between Ukraine (“Recipient”) and the International Bank for Reconstruction and Development/International Development Association (“Bank”), acting as administrator of the Ukraine Relief Recovery Reconstruction and Reform Multi-Donor Trust Fund, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [²one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal and applications for a special commitment under this Grant.

For the purpose of delivering Applications to the Bank, ³[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting ⁴[individually] ⁵[jointly], to deliver Applications and evidence in support thereof on the terms and conditions specified by the Bank.

This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. In full recognition that the Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of*

¹ Instruction to Bank staff: please forward this letter to the Country Lawyer for further processing (Recipient: please do not delete this note).

² Instruction to the Recipient when sending this letter to the Bank: Stipulate if more than one person needs to sign Applications, how many or which positions, and if any thresholds apply. *Please delete this footnote in the final letter that is sent to the Bank.*

³ Instruction to the Recipient: Stipulate if more than one person needs to *jointly* sign Applications; if so, please indicate the actual number. *Please delete this footnote in the final letter that is sent to the Bank.*

⁴ Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete it. *Please delete this footnote in the final letter that is sent to the Bank.*

⁵ Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete it. *Please delete this footnote in the final letter that is sent to the Bank.*

Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of SIDC”), the Recipient represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the Bank records with respect to this Agreement.

Signatory Details

| Name | Position | Email ID |
|------------------|-----------------|-----------------|
| [Signatory Name] | [Title] | [Email] |
| | | |
| | | |
| | | |

Specimen Signatures

| Signatory Name | Signature 1 | Signature 2 | Signature 3 |
|-----------------------|--------------------|--------------------|--------------------|
| [User Name] | | | |
| [User Name] | | | |
| | | | |

Yours truly,

/ signed /

[Position]¹

¹ Instruction to Bank staff: please forward this letter to the Country Lawyer for further processing (Recipient: please do not delete this note).

Attachment 3 – Form of Designated Account Reconciliation Statement

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/PPF/COFINANCIER NUMBER _____
ACCOUNT NUMBER _____ WITH (BANK) _____

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) US\$/EUR _____

2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - US\$/EUR _____

3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = US\$/EUR _____

=====

4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE _____ US\$/EUR _____

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. _____ + US\$/EUR _____

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: _____ + US\$/EUR _____

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

| <u>APPLICATION NO.</u> | <u>AMOUNT</u> |
|------------------------|---------------|
| _____ | _____ |
| _____ | _____ |

SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + US\$/EUR _____

8. MINUS: INTEREST EARNED - US\$/EUR _____

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = US\$/EUR _____

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

11. DATE: _____ SIGNATURE: _____
TITLE: _____