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URTF GRANT NUMBER TF0C0424

***Ukraine Relief, Recovery,  
Reconstruction and Reform  
Multi-Donor Trust Fund  
Grant Agreement***

**(Restoration Project of Winterization and Energy Resources)**

between

**UKRAINE**

and

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND  
DEVELOPMENT AND INTERNATIONAL DEVELOPMENT ASSOCIATION**

***(acting as administrator of the Ukraine Relief, Recovery, Reconstruction and Reform  
Multi-Donor Trust Fund)***

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**UKRAINE RELIEF, RECOVERY, RECONSTRUCTION AND REFORM  
MULTI-DONOR TRUST FUND  
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between UKRAINE (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of the Ukraine Relief, Recovery, Reconstruction and Reform Multi-Donor Trust Fund.

WHEREAS, following an international effort to provide development support to Ukraine and having satisfied itself as to the feasibility and priority of the project as further described in Schedule 1 to this Agreement (“Project”), the Recipient, through the Ministry of Energy, has requested the Bank to extend a grant to assist in the financing of the Project.

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 Project**

- 2.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient, through its Ministry of Energy (“MoE”), shall cause Parts 1 and 3 of the Project to be carried out by Private Joint Stock Company “National Power Company “Ukrenergo” (UE), in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

**Article III  
The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed two hundred million United States Dollars (\$200,000,000) (“Grant”) to assist in financing the Project.

- 3.02. The Recipient, through the MoE, may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. 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 IV  
Additional Remedies**

- 4.01. The Additional Event of Suspension referred to in Section 4.02(k) of the Standard Conditions consists of the following, namely that the UE Legislation has been amended, suspended, abrogated, repealed, or waived so as to affect, materially and adversely, in the opinion of the Bank, the ability of UE to perform any of its obligations under this Agreement.

**Article V  
Effectiveness; Termination**

- 5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied:
- (a) the Recipient, through MoE and MoF, has signed the Subsidiary Agreement with UE on terms and conditions satisfactory to the Bank; and
  - (b) the Subsidiary Agreement referenced above in Section 5.01 (a) and this Agreement 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 one hundred and twenty (120) 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.

- 5.04. Without limitation to Section 7.02 (b) of the Standard Conditions (as amended hereinafter), any modification to this Agreement shall be executed by written instrument agreed by the parties hereto. Such amendment shall become effective on the date as of which it has been executed by all parties unless otherwise specified in the amending agreement.

**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	<a href="mailto:infomf@minfin.gov.ua">infomf@minfin.gov.ua</a>

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

- (a) the Bank's address is:

International Bank for Reconstruction and Development  
International Development Association  
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**



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**Authorized Representative**

**Name:** Denys Shmyhal

**Title:** Prime Minister of Ukraine

**Date:** April 12, 2023

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
AND  
INTERNATIONAL DEVELOPMENT  
ASSOCIATION**

*(acting as administrator of the Ukraine Relief,  
Recovery, Reconstruction and Reform Multi-Donor  
Trust Fund)*

**By**



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**Authorized Representative**

**Name:** Anna Bjerde

**Title:** Managing Director of Operations

**Date:** April 12, 2023

## SCHEDULE 1

### Project Description

The objective of the Project is to enable the restoration of essential energy services in Ukraine.

The Project consists of the following parts:

#### **Part 1. Emergency equipment for the electricity transmission infrastructure.**

Procuring, transporting to the sites within Ukraine, and delivering substation equipment for UE including, *inter alia*, autotransformers, transformers, instrument transformers, reactors, circuit breakers, disconnectors, surge arresters, and relay protection devices and substation automation system equipment to assist in the restoring the electricity supply for the national transmission network.

#### **Part 2. Emergency equipment for the heating services.**

Procuring, transporting to the sites within Ukraine, and delivering essential equipment and materials for District Heating Companies for heating services including, *inter alia*, mobile and stationary heat-only boilers, mobile mini co-generation units, pipes, fittings, valves, pumping sets and pumps, essential parts to repair district heating and gas networks, equipment for liquid fuel depot repairs, and equipment to provide alternative heating options such as electric heating and biomass-based heating.

#### **Part 3. Project Management and Monitoring.**

Providing support for Project implementation and management by the UE PIU, including: (i) consulting services for procurement, financial management, environmental and social risk management and supervision, coordination, monitoring and evaluation, audit and reporting; (ii) Training of UE PIU staff; and (iii) UE Operating Costs.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Institutional Arrangements.

1. The Recipient shall vest responsibility for overall coordination of Parts 1 and 3 of the Project in the MoE.
2. (a) The Recipient, through MoE, shall maintain and operate during the implementation of the Project, a Project implementation unit ("MoE PIU"), with staff in numbers, qualifications and under terms of reference acceptable to the Bank and as further detailed in the POM.  
  
(b) The Recipient shall ensure that the MoE PIU is responsible for ensuring the overall coordination, communications and liaison of the relations among the Recipient and the Bank.
3. The Recipient, through the MoE, shall cause UE to maintain and operate, throughout the implementation of the Project, a Project implementation unit ("UE PIU") for Parts 1 and 3 of the Project, with adequate resources and staff, including consultants as needed, in numbers and with qualifications acceptable to the Bank and as further set forth in the POM, to be responsible for: (i) the supervision of implementation of Parts 1 and 3 of the Project; (ii) ensuring compliance of activities under Parts 1 and 3 of the Project with the provisions of this Agreement including the ESCP; (iii) monitoring and reporting; and (iv) ensuring the coordination, communications and liaison of the relations among the MoE, UE, and the Bank.
4. The Recipient, through the MoE, shall coordinate with all relevant ministries and any required entities to ensure the provision of technical support including for verification and reporting for proper implementation of Project activities as set forth in the POM.

##### B. Subsidiary Agreement

1. To facilitate the carrying out of Part 1 and 3 of the Project, the Recipient shall make the proceeds of the Grant allocated from time to time to Category (1) of the table set forth in Section III.A.1 of this Schedule available to UE under a subsidiary agreement ("Subsidiary Agreement") between the Recipient, through MoE and MoF, and UE, under terms and conditions approved by the Bank.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant.
3. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

**C. Project Operational Manual.**

1. No later than thirty (30) days after the Effective Date, the Recipient, through MoE, shall adopt, and shall cause UE to adopt the Project Operational Manual, which shall be satisfactory to the Bank and shall contain, *inter alia*: (a) specific provisions on detailed arrangements for carrying out the Project; (b) composition and responsibilities of the MOE PIU and UE PIU; (c) procurement, financial management and disbursement requirements; (d) monitoring and evaluation arrangements; (e) protocols for communication with PIUs; (f) grievance mechanism for the Project; and (g) such other technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation.
2. The Recipient, through MoE, shall carry out the Project and shall cause the UE to carry out the Project, in accordance with the provisions of the POM.
3. The Recipient, through MoE, shall not, and shall cause the UE to not, assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the POM or any provision thereof, without the prior written agreement of the Bank.
4. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the POM and those of this Agreement, the provisions of this Agreement shall prevail.

**D. Environmental and Social Standards.**

1. The Recipient, through the MoE, shall, and shall cause the UE to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Recipient, through the MoE, shall, and shall cause the UE to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient, through the MoE, shall, and shall cause the UE to, ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;



- (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient, through the MoE, shall, and shall cause the UE to, ensure that:
- (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient, through the MoE, shall, and shall cause the UE to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

The Recipient, through MoE, shall ensure that each Project Report is furnished to the Bank not later than (1) one month after the end of each calendar semester, covering the calendar semester.

**Section III. Withdrawal of Grant Proceeds**

**A. General**

1. The Recipient, through MoE, may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, consulting services, UE Operating Costs, and Training under the Project under Parts 1 and 3 of the Project	200,000,000	100%
<b>TOTAL AMOUNT</b>	<b>200,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$80,000,000 may be made for payments made twelve months prior to this date, for Eligible Expenditures.
2. (a) The Recipient undertakes that no Grant proceeds or resources may be used for defense, security, or military purposes, or for any payments made to any defense, security, or military forces.

- (b) If the Bank determines, at any time, that an amount of the Grant was used to make a payment for either: (i) ineligible expenditures; or (ii) 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 canceled.
- 3. The Recipient, through MoE, shall not, and shall cause UE not to request withdrawals for Eligible Expenditures that have already been financed by, or for which withdrawals have been requested under any other Bank financed loan or grant.
- 4. The Closing Date is April 30, 2025.

## APPENDIX

### Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January, 2011, and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “District Heating Company” means a municipal or a state-owned enterprise that produces, distributes, and supplies heat to consumers in a centralized manner selected to receive equipment and materials under Part 2 of the Project in accordance with the POM; and “District Heating Companies” means more than one District Heating Company.
4. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 6, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
5. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
6. “Ministry of Energy” and “MoE” each means the Recipient’s ministry of the same name, or any successor thereto.

7. “Ministry of Finance” and “MoF” each means the Recipient’s ministry of the same name, or any successor thereto.
8. “MoE PIU” means the Project implementing unit established within the MoE and referred to in Section I.A.2 of Schedule 2 to this Agreement.
9. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
10. “Project Operational Manual” and “POM” each means the operational manual to be prepared and adopted by the Recipient in a manner satisfactory to the Bank as further described in Section I.C of Schedule 2 to this Agreement.
11. “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.
12. “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, with the modifications set forth in Section II of this Appendix.
13. “Subsidiary Agreement” means an agreement to be entered into between the Recipient and UE pursuant to Section I.B.1 of Schedule 2 to this Agreement.
14. “Training” means Project related training courses, seminars, workshops and other training activities, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs.
15. “UE” means the Private Joint Stock Company “National Power Company “Ukrenergo”, a legal entity incorporated as a joint stock company with 100% of the shares owned by Ukraine, as a result of reorganization through transformation of the State Enterprise National Power Company Ukrenergo into a private joint stock company and registered on July 29, 2019.
16. “UE Legislation” means the Order of the Ministry of Finance of Ukraine No.321, dated July 29, 2019 “Some Matters of Creating a Private Joint Stock Company National Power Company Ukrenergo” and the Order of the Ministry of Energy of Ukraine No. 2018, dated September 21, 2021 approving the UE’s Charter, including any amendments thereto or any succeeding legislation and any other relevant instrument of establishment or registration, legislation, governmental order or regulation, that establishes UE.

17. "UE Operating Costs" means incremental operating expenditures incurred by the UE PIU, on account of activities related to the management, monitoring and evaluation, audit, coordination and implementation of the Project, including office equipment maintenance and repair, vehicles, local travel, communication, translation and interpretation, bank charges, consulting services, and other costs of similar nature directly associated with the Project, all based on periodic budgets acceptable to the Bank.
18. "UE PIU" means the Project implementing unit established within the UE and referred to in Section I.A.3 of Schedule 2 to this Agreement.

## **Section II. Modifications to the Standard Conditions**

1. 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."