H. E. Anatolii Maksiuta  
Acting Minister  
Ministry of Economic Development and Trade  
12/2 Grushevskogo Street  
Kyiv, 01008  
Ukraine

Re: Ukraine: IDF Grant for Capacity Development for  
Evidence-Based Land & Agricultural Policy Making Project  
IDF Grant No. TF016590

Excellency:

In response to the request for financial assistance made on behalf of Ukraine ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank") proposes to extend to the Recipient, a grant from the World Bank's Institutional Development Fund ("IDF") in an amount not to exceed five hundred thousand two hundred sixty United States Dollars (US$500,260) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date specified by the World Bank in accordance with Section V of the Annex to this Agreement.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By ____________________________
Qimiao Fan
Country Director  
Belarus, Moldova and Ukraine  
Europe and Central Asia Region
AGREED:

UKRAINE

By

Authorized Representative

Name: Aivaras Abromavicius
Title: Minister of Economic Development and Trade of Ukraine
Date: December 18, 2014

Enclosures:

2. Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I

Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank Out of Various Funds dated February 15, 2012 ("Standard Conditions"), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, or in this Agreement as well as the following:

(a) "KEI" means the Non-Governmental Organization Kyiv Economics Institute operating in accordance with its Charter registered by the Ministry of Justice of Ukraine on July 10, 2006 (Certificate No. 2484) and revised and registered with the Ministry of Justice of Ukraine on November 02, 2011.

(b) "MoA" means the Ministry of Agriculture and Food Policy of Ukraine, the central Government authority responsible for development and implementation of agricultural policy of Ukraine.

(c) "Project Agreement" means the agreement to be executed by the World Bank and KEI in accordance with Section 1.02(d) of this Annex.

(d) "Project Steering Committee" means the committee to be established under Part A.1 of the Project.

(e) "SALR" means the State Agency for Land Resources of Ukraine, a central Government authority responsible for development and implementation of state policy in the field of land relations, survey and mapping.

(f) "SLC" means the State Land Cadaster of Ukraine, a key provider of national data on land resources of Ukraine.

(g) "SSS" means the State Statistics Service of Ukraine, a key provider of national statistical data on agriculture and other industries.

(h) "SRS" means the State Registry Service, a central Government body responsible for registration of property rights.

(i) "Subsidiary Agreement" means the agreement to be executed by the Recipient and KEI in accordance with Section 2.03(c) of this Annex.

(j) "Working Group" means the working group to be established under Part A.2 of the Project.
Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to assist the Recipient in upgrading the capacity for evidence-based policy making in its Ministry of Agriculture and Food Policy ("MoA"), State Agency for Land Resources ("SALR") and other government agencies (including the Administration of the President, the Cabinet of Ministers and the State Registry Service) and among key stakeholders, all in the fields of agriculture and land governance. The Project consists of the following parts:

**Part A:** Enhancing the capacity of the MoA, SALR and other Government agencies to develop evidence-based policy frameworks

1. Establishment of a Project Steering Committee and identification of priorities for analytical support for MoA, SALR and other government authorities responsible for development of agricultural and land policies.

2. Establishment of a Working Group within KEI and teaming of the Working Group with international experts in the field of land governance and agricultural development.

3. Analyses by the Working Group of priority topics identified by the Project Steering Committee using modern empirical policy analysis methods (and in consultations with Ministry of Agriculture, SALR, SRS and other relevant stakeholders), and presentation of the analyses results to the Steering Committee for discussion of policy implications and policy proposals, followed by public release of the analyses.

**Part B:** Upgrading the capacity of the SALR, SRS and SSS to produce and publish the data

1. Development and adoption of a guideline for linking existing agricultural statistics data sets across the time periods and statistical forms

2. Development of recommendations for a feedback system and quality improvement of agricultural statistics

3. Carry out training on data management and linking for representatives of SALR, SSS, SRS and KEI

4. Conducting workshop/s on reporting land use statistics for SALR and SSS experts and development of methodology guidelines for reporting land use statistics


6. Publication of quarterly and annual land market statistical report and development and electronic publication of quarterly land market reviews.

**Part C:** Policy Dialogue and Dissemination

1. Presentation of the results of the analytical projects for public policy debate among relevant stakeholders.

2. Provision of training to selected policy analysts on policy communication.
3. Organization of public events (such as round table discussions) to present the analytical results and policy implications results to relevant stakeholder groups.

4. Presentation of Ukrainian results on Land Market Monitoring and Evidence Based Reform Strategy to the international expert community

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by KEI ("Project Implementing Entity") in accordance with the provisions of:

(a) Article II of the Standard Conditions;

(b) 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 ("Anti-Corruption Guidelines");

(c) this Article II; and

(d) the agreement between the World Bank and KEI for the implementation of the Project by KEI, as such agreement may be amended from time to time ("Project Agreement").

2.03. Institutional and Other Arrangements.

(a) Project Steering Committee

The Recipient, through MoA, shall establish a Project Steering Committee ("SC") within one month after the effectiveness of this Agreement, with terms of reference and composition acceptable to the Bank, and comprising of relevant Government agencies and private sector representatives with responsibilities, including: convening every three months to provide overarching Project implementation guidance and identification of priorities for analytical support for MoA, SALR, SRS; coordinating Project activities (including activities of the Working Group and approving outputs); and serving as a liaison with government counterparts. The Recipient shall ensure that the SC has one Co-Chair appointed by MoA and another Co-Chair elected by representatives of the private sector during the first SC meeting.

(b) Subsidiary Agreement

(i) To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to KEI under a Subsidiary Agreement to be signed between the Recipient and KEI, under terms and conditions approved by the World Bank, which shall include that the Recipient shall cause KEI to:

(A) perform in accordance with the provisions of the Subsidiary Agreement all of the obligations of KEI therein set forth;

(B) carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, economic, financial and environmental practices;

(C) to take all action, including the provision of funds, facilities, services and other resources, necessary or appropriate for the carrying out of the Project, including provision of office facilities, training facilities,
accounting and information technology ("IT") support in an amount estimated not to exceed seventy six thousand United States Dollars ($76,000);

(D) carry out the Project in accordance with the provisions of this Agreement and in accordance with the Anti-Corruption Guidelines; and

(E) not to take or permit to be taken any action which would prevent or interfere with the carrying out of the Project.

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

(c) State Registration

For the purpose of ensuring the tax-exempt status of Project implementation activities and corresponding related payments for goods, consultants’ services, Training and Workshops, the Recipient shall take all measures for state registration of the Project being implemented by KEI in accordance with, and as required by, national law and regulations.

2.04. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, prepare Project Reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The Recipient shall, upon the World Bank’s request, prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than five months after the Closing Date.

2.05. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five days after the end of each six months, covering this period, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
2.06. **Procurement**

(a) **General.** All goods and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:


(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and revised on July 2014 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods.** Goods shall be procured under contracts awarded on the basis of Shopping.

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants’ Qualifications; (B) Selection of Individual Consultants; and (C) Single-source procedures for the Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

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**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table
specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>7,600</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants' Services, including Audit</td>
<td>475,660</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training and Workshops</td>
<td>17,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>500,260</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section, the term “Training and Workshops” means reasonable expenditures incurred by the Recipient to finance training activities under the Project, including: travel costs and daily subsistence allowances for participants and trainers, services for training activities, meetings, workshops, seminars and conferences, and production of methodological and training materials.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

(a) for payments made prior to the date of countersignature of this Agreement by the Recipient; or

(b) for any payment for Taxes levied by or in the territory of the Member Country in respect of Goods, Consultants’ Services, Training and Workshops; or

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

(a) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by KEI of its obligations under the Project Agreement.

(b) KEI has failed to perform any obligation under the Project Agreement.

(c) IBRD or IDA has declared KEI ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of
funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that KEI has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that KEI is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that KEI has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

(d) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that KEI will be able to perform its obligations under the Project Agreement.

(e) KEI’s Charter registered by the Ministry of Justice of Ukraine on November 2, 2011 has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of KEI to perform any of its obligations under the Project Agreement.

(f) The World Bank has determined after that an event has occurred which would have entitled the World Bank to suspend the Recipient’s right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

5.01 This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) under Categories (1), (2) and (3), unless: (i) KEI has executed the Project Agreement with the World Bank and (ii) the Subsidiary Agreement, acceptable to the Bank, has been executed by the Recipient and KEI.

6.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Acting Minister of Economic Development and Trade.

6.02. Recipient’s Address. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economic Development and Trade
12/2 Grushevskogo Street
Kyiv, 01008
Ukraine

Telex: 795493
Facsimile: +380(44) 253-9394

+380(44) 226-3181
6.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391