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

Re: Trust Fund Grant No. TF018284
(S strengthening the Capacity of Ukrtransgaz PIU under the
Joint EC-WB Facility to Support the Ministry of Energy and Coal Industry of Ukraine
and NJSC “Naftogaz of Ukraine” for Modernization of Ukraine’s Gas Transit System)
Performance Monitoring Indicators

Dear Sirs and Mesdames:

This refers to Section II.A of the Schedule to the Project Agreement of even date herewith
between the International Bank for Reconstruction and Development (the Bank) and the PJSC
UKRTRANSGAZ (the Project Implementing Entity). The Project Implementing Entity hereby confirms
to the Bank that the indicators set out in the attachment to this letter shall serve as a basis for the Project
Implementing Entity to monitor and evaluate the progress of the Project and the achievement of the
objectives

Very truly yours,

PJSC UKRTRANSGAZ

By
Authorized Representative

Attachment
Strengthening the Capacity of Ukrtransgaz PIU under the Joint EC-WB Facility to Support the Ministry of Energy and Coal Industry of Ukraine and NJSC ‘Naftogaz of Ukraine’ for Modernization of Ukraine’s Gas Transit System

Performance Monitoring Indicators

**Project Development Objective (PDO):** The development objective of the proposed grant is to strengthen the capacity of Ukrtransgaz’ Project Implementing Unit.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Core</th>
<th>Baseline</th>
<th>Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong> PIU capacity is strengthened</td>
<td></td>
<td>Lack of capacity to implement the IFI projects</td>
<td>The implementation capacity is strengthened as evidenced by the PIU being fully functional and implementing IFI projects, including their monitoring and reporting</td>
<td>Quarterly</td>
<td>Progress Reports</td>
<td>Ukrtransgaz</td>
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**INTERMEDIATE RESULTS**

**Intermediate Result (Component One): Implementation Support**

<table>
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<tr>
<th>Intermediate Result indicator One: Project implementation support consultant is on board</th>
<th>Project implementation support consultant is not hired</th>
<th>Project implementation support consultant is hired based on a TOR satisfactory to the Bank</th>
<th>Quarterly</th>
<th>Progress Reports</th>
<th>Ukrtransgaz</th>
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**Intermediate Result (Component Two): Audit and Operating Expenses**

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<tr>
<th>Intermediate Result indicator One: Satisfactory audit of the grant is completed</th>
<th>Grant audit is not available</th>
<th>Auditor contracted based on a TOR satisfactory to the Bank and Audit Report is available</th>
<th>Quarterly</th>
<th>Progress Reports</th>
<th>Ukrtransgaz</th>
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