H.E. Natalie A. Jaresko
Minister
Ministry of Finance of Ukraine
12/2 Hrushevsky St.
Kyiv, 01008
Ukraine

Re: Ukraine Social Safety Nets Modernization Project
Loan No. 8404-UA
First Amendment to the Loan Agreement

Your Excellency,

We refer to the Loan Agreement ("Loan Agreement") between Ukraine ("Borrower") and the International Bank for Reconstruction and Development ("Bank") dated July 9, 2014, for the above-referenced Project. We refer also to letter number #31-12230-03-15/17537 dated May 29, 2015, from Mr. Artem Shevalev, Deputy Minister in charge of European Integration, Ministry of Finance requesting various amendments to the Loan Agreement for purposes including, to change oblasts to be selected under Part 3 of the Project, and to add another procurement method.

I am pleased to inform you that the Bank has acceded to the request. Accordingly, the Loan Agreement is hereby amended as follows:

1. The title of Part 3 of Schedule 1 is amended to read as follows:

   "Part 3. Support Investments for Increasing Provision of Family-based Care to Support Orphans, Children Deprived of Parental Care, Disabled Children and Vulnerable Families in Selected Oblasts"

2. Paragraph 1 of Section I.C of Schedule 2 is amended to read as follows:

   "1. The Borrower, through MOSP: (a) shall select Oblasts for investment and participation under Part 3 of the Project with the agreement of the Bank; and (b) shall cause USIF to screen and evaluate investment proposals for civil works for social facilities under Part 3 of the Project, all in accordance with eligibility criteria, selection methods and procedures acceptable to the Bank, as further set forth in the POM."

3. Paragraph 2 of Section II.C of Schedule 2 is amended by adding a new procurement method which revised paragraph 2 reads as follows:

   "2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Procedures for the Selection of Individual Consultants; (b) Single-source procedures for the Selection of Individual Consultants; (c) Selection based on Consultants’ Qualifications; (d) Selection under a Fixed Budget; (e) Least-Cost Selection; and (f) Quality-Based Selection."

October 13, 2015
4. The last row of the table in paragraph 2(a) of Section IV.B of Schedule 2 is revised to read as follows:

<table>
<thead>
<tr>
<th>&quot;Disbursement-linked indicator (DLI)&quot;</th>
<th>Withdrawal ceiling (expressed in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17. Number of children in residential care institutions in selected pilot oblasts decreased by 40 percent compared to baseline</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

Except as specifically amended in this letter, all other provisions of the Loan Agreement remain in full force and effect.

Please confirm the agreement of the Borrower to the amendments set out in paragraphs 1 through 4 above by countersigning and dating the confirmation set forth below, and returning one fully signed original of this letter of amendment to us. One fully signed original should be retained by the Borrower. Upon receipt by the Bank of the copy of this letter of amendment duly countersigned by the authorized representative of the Borrower, the above amendments shall become effective as of the date of the Bank’s receipt of the countersigned letter.

Sincerely,

Tamara Sulukhia
Acting Country Director
Belarus, Moldova and Ukraine
Europe and Central Asia

CONFIRMED AND AGREED:
UKRAINE

By: [Signature]
Authorized Representative

Name: [Name]
Title: Minister of Finance of Ukraine for European Integration
Date: 21.10.2015

FAX (380-44) 490-6570
Cc: H. E. Pavlo Rozenko, Minister, Ministry of Social Policy of Ukraine  
Mr. Artem Shevaley, Deputy Minister for European Integration, Ministry of Finance of Ukraine  
Mr. Sergii Ustymenko, Deputy Minister for European Integration, Ministry of Social Policy of Ukraine  
Ms. Yuliia Kovaliv, First Deputy Minister, Ministry of Economic Development and Trade of Ukraine  
Ms. Halyna Pakhachuk, Director, Debt and International Financial Policy Department, Ministry of Finance of Ukraine  
Ms. Olena Tregub, Director, Department for International Programs Coordination, Ministry of Economic Development and Trade of Ukraine  
Ms. Viktoriia Kolosova, Deputy Director of Debt and International Financial Policy Department – Head of Division for Cooperation with International Organizations and Coordination of International Technical Assistance, Ministry of Finance of Ukraine  
Ms. Viktoriia Litkovska, Deputy Head of Division for Cooperation with International Finance Organizations and Coordination of Technical Assistance – Head, Division of World Bank Financed Project, Ministry of Finance of Ukraine  
Mr. Mykhailo Vydoinyk, Director, International Cooperation and Protocol Department, Secretariat of the Cabinet of Ministers of Ukraine  
Mr. Frank Heemskerk, Executive Director, World Bank  
Mr. Roman Zhukovskyi, Alternate Executive Director, World Bank