Mr. Olexandr
Popov Head
Kyiv City State Administration
36, Khreschatyk
St., Kyiv 01044
Ukraine

Dear Mr. Popov:

Re: Ukraine: Cities Alliance Grant for Supporting Kiev in City Vision and Long-Term Development Strategy (PI24709)
Bank-Executed Grant Agreement
Letter of Agreement with Beneficiary

I am writing on behalf of the International Bank for Reconstruction and Development ("IBRD") (referred below as the "World Bank") to indicate the World Bank’s agreement, as administrator of grant funds provided by the Cities Alliance for supporting Kyiv in City Vision and Long-Term Development Strategy in an amount not exceeding fifty thousand United States dollars (50,000) (the Grant).

The Grant is made in response to State Administration of City of Kyiv’s (the Beneficiary) request for technical assistance in developing a city vision and long term strategy for Kyiv. The Beneficiary hereby confirms its request that the World Bank carry out the activities described in paragraph 1 of the Annex to this Letter Agreement.

Please note that it is the World Bank’s policy to make publicly available this Letter Agreement and any information related thereto, after this Letter Agreement has become effective and the Beneficiary has given its consent to such disclosure. The Beneficiary also agrees that all documents produced by the consultants and by the beneficiary as part of the technical assistance provided under the referenced grant shall be made available to other donors. The Beneficiary, by countersigning this Letter Agreement, confirms its consent to such disclosure. The beneficiary also confirms...
understanding that 15% of the grant amount will finance administrative expenses connected with implementation of the project by the Bank.
Please confirm your understanding and agreement with the foregoing, on behalf of the Beneficiary, by signing, dating, and returning to us the enclosed copy of this Letter Agreement. Upon receipt by the World Bank of the copy of this Letter Agreement countersigned by you, this Letter Agreement will become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
Martin Raiser

/s/ Martin Raiser

Country Director
Ukraine, Belarus and Moldova

AGREED:
State Administrqt of City

By ___________ ___________

/s/ Olexandr Popov
Head of State Administration of City of Kyiv
Date November 18, 2010
ANNEX

Purposes, Terms and Conditions of the Grant

The purpose of the Grant is to provide to Kyiv external advisory support in identifying city vision and deriving a long-term strategy for action through participatory process in order to strengthen the local economy and improve quality of municipal services.

The activities (the Activities) for which the Grant is given are as follows:

(a) Hiring of international expert(s)/consultant(s) who will assist city in organizing and completing the ongoing process of formulation of city vision and development strategy.

(b) Conducting three workshops bringing key stakeholders together to discuss and agree on Kyiv’s competitiveness analysis (SWOT), City Vision, and development strategy.

(c) Conducting executive workshop for most senior executives in the city administration and related central government bodies.

2. The Grant shall be used to finance consultants’ services and fund administrative costs of project implementation.

3. The Recipient shall establish steering committee to support the overall implementation of the Project. The steering committee shall be established at the policy makers’ level, comprising of representatives from major local government agencies, development partners and NGOs that are involved in city strategy development process.

4. The World Bank shall carry out the Activities. The Beneficiary shall cooperate with the World Bank to the extent necessary to permit the World Bank to carry out the Activities promptly and effectively, and to evaluate the results of the Activities.

5. The World Bank shall carry out the Activities pursuant to this Letter Agreement only to the extent that the Grant funds required for such Activities are available to the World Bank from Cities Alliance.

6. The Activities shall be completed by not later than December 31, 2011 or such later date as the World Bank may establish by notice to the Beneficiary (the Closing Date). After the Closing Date, the World Bank may at any time cancel the remaining balance of the Grant.

7. The engagement and supervision of the consultants (the Consultants) required to assist in the carrying out of the Activities shall be the responsibility solely of the World Bank and shall be done according to the World Bank’s applicable procedures.

8. The Beneficiary may at any time request the World Bank in writing to terminate the Activities. Whether or not the Beneficiary has made such a request, the World Bank may at any time suspend or, after consultation with the Beneficiary, terminate the contract with consultant