
LOAN NUMBER 9323-UA

Loan Agreement

(Second Economic Recovery Development Policy Loan)

between

UKRAINE

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between UKRAINE (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, inter alia, of: (i) the actions which the Borrower has already taken under the Program and which are described in Section I.A of Schedule 1 to this Agreement; and (ii) the Borrower’s maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of three hundred million Euros (EUR 300,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”).
- 2.02. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.03. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.04. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.05. The Payment Dates are June 15 and December 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with Schedule 2 to this Agreement.
- 2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:
- (a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower's macroeconomic policy framework and the progress achieved in carrying out the Program;
 - (b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and
 - (c) without limitation upon paragraph (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule I to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower's macroeconomic policy framework.
- 5.02. The Effectiveness Deadline is the date sixty (60) days after the Signature Date.
- 5.03. Without limitation to Section 10.02 (b) of the General Conditions, any modification to this Agreement shall be executed by written instrument agreed by the parties hereto. Such amendment shall become effective as set forth in the amending agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is its Minister of Finance.

6.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Ministry of Finance
12/2 M. Hrushevskoho Str.,
Kyiv, 01008
Ukraine; and

(b) the Borrower's Electronic Address is:

Facsimile:	E-mail:
+38 (044) 425-90-26	infomf@minfin.gov.ua ;

6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

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

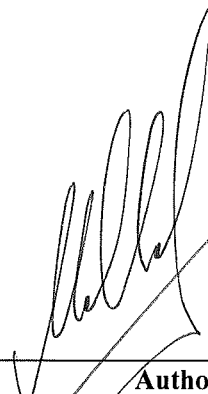
(b) the Bank's Electronic Address is:

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

AGREED as of the Signature Date.

UKRAINE

By



Authorized Representative

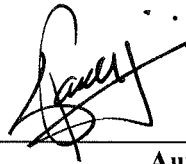
Name: SEGGII MARCHENKO

Title: MINISTER, MINISTRY OF FINANCES

Date: DECEMBER 20, 2021

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: ARUP BANERJI

Title: REGIONAL COUNTRY DIRECTOR

Date: DECEMBER 20, 2021

SCHEDULE 1

Program Actions; Availability of Loan Proceeds

Section I. Actions under the Program

A. Actions Taken Under the Program. The actions taken by the Borrower under the Program include the following:

1. The Borrower has enacted Law No. 1054-IX dated December 3, 2020 “*On Inland Water Transport*”, and duly published in the Borrower’s Official Gazette on January 9, 2021, establishing an open regulatory framework and enabling non-discriminatory access of operators to inland waterways.
2. The Borrower has enacted Law No. 1423-IX dated April 28, 2021 “*On Amendments to some legislative acts of Ukraine to improve the system of management and deregulation in the field of land relations*”, and duly published in the Borrower’s Official Gazette on May 26, 2021, streamlining land transfer procedures and decentralizing land management, which simplifies procedures to create, transfer, and use land parcels; and transfer the ownership and administration of state land from the geocadaster to local authorities.
3. The Borrower has enacted Law No. 1444-IX dated May 18, 2021 “*On modification of some legislative acts of Ukraine concerning sale of the land plots and acquisition of the right of their use through electronic auctions*”, and duly published in the Borrower’s Official Gazette on June 25, 2021, regulating local state land use, including mandating electronic auctions for state land sales.
4. The Borrower has enacted Law No. 1865-IX dated November 4, 2021 “*On the Fund for the Partial Guarantee of Loans in Agriculture*” and duly published in the Borrower’s Official Gazette on November 23, 2021, creating affordable and effective financing instruments for small farmers through the establishment of a partial credit guarantee facility.
5. The Borrower, through its Cabinet of Ministers, has approved the Budget Declaration for 2022-2024 and submitted it to the Verkhovna Rada of Ukraine through Resolution No. 548 dated May 31, 2021 “*On the Budget Declaration for 2022-2024*” requiring indexation of pensions for all categories of retirees not later than March 1st of each year from 2022 to 2024.

Section II. Availability of Loan Proceeds

- A. General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.
- B. Allocation of Loan Amounts.** The Loan is allocated in: (a) a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds; and (b) the amounts requested by the Borrower to pay: (A) the Front-end Fee and (B) each Interest Rate Cap or Interest Rate Collar premium. The allocation of the amounts of the Loan to this end is set out in the table below:

Allocations	Amount of the Loan Allocated (expressed in EUR)
(1) Single Withdrawal Tranche	299,250,000
(2) Front-end Fee	750,000
(3) Interest Rate Cap or Interest Rate Collar (Amount due pursuant to Section 4.05 (c) of the General Conditions)	0
TOTAL AMOUNT	300,000,000

D. Withdrawal Tranche Release Conditions.

No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower's macroeconomic policy framework.

E. Deposit of Loan Amounts.

1. The Borrower, within thirty (30) days after the withdrawal of the Loan from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the Ukrainian Hryvnia equivalent of the Loan proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Borrower's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

G. Closing Date. The Closing Date is January 31, 2023.

SCHEDULE 2

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each June 15 and December 15 Beginning June 15, 2027 Through December 15, 2039	3.7%
On June 15, 2040	3.8%

APPENDIX

Definitions

1. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Development Policy Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, and April 1, 2021).
2. “Official Gazette” means one of Borrower’s official journals in which laws enacted by the Borrower (among others) are published.
3. “Program” means: the program of objectives, policies, and actions set forth or referred to in the letter dated November 19, 2021 from the Borrower to the Bank declaring the Borrower’s commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program’s objectives.
4. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
5. “Single Withdrawal Tranche” means the amount of the Loan allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.
6. “Ukrainian Hryvnia” means the Borrower’s national currency.
7. “Verkhovna Rada of Ukraine” means the Borrower’s parliament and sole legislative entity.