

___ [May] 2024

To: MUNICIPAL INSTITUTION "CENTER FOR PROVIDING SOCIAL SERVICES" OF THE
PALANKA VILLAGE COUNCIL ("**Grantee**")

THE PALANKA VILLAGE COUNCIL ("**Council**")

THE EXECUTIVE COMMITTEE OF THE PALANKA VILLAGE COUNCIL
("**Executive Committee**")

Amendment Letter to Grant Agreement

Dear Sirs

1. We refer to the Grant Agreement dated 5 October 2023 between the Grantee, Council, Executive Committee and INTERNATIONAL FINANCE CORPORATION ("**IFC**") (the "**Agreement**"). Terms defined in the Agreement have the same meaning when used in this amendment letter (the "**Amendment Letter**") unless given a different meaning herein.
2. In view of the Donor's updated Grant Policy for the Renovation of Municipal Buildings for Internally Displaced People in Ukraine, the Parties have agreed to amend the Agreement to reflect the updated terms of the said grant policy.
3. Accordingly, the Parties have agreed that, from the date of this Amendment Letter (the "**Amendment Letter Effective Date**"), the Agreement shall be amended as provided in this paragraph 3:
 - 3.1 Clause 1.1 (*Definitions*) shall be supplemented with the definition of "IFC Access to Information Policy" to read as follows:

" **"IFC Access to Information Policy"** means the Access to Information Policy of IFC dated 1 January 2012 (as may be amended, varied, supplemented, replaced or restated in any manner from time to time) available on IFC's website at www.ifc.org/Disclosure."
 - 3.2 The definition of "Building Eligibility Criteria" in Clause 1.1 (*Definitions*) shall be amended and restated to read as follows:

" **"Building Eligibility Criteria"** means the following criteria applicable to a Municipal Building:

 - (a) it must be owned by:
 - (i) the City; or
 - (ii) an oblast (regional) council, which has transferred that building to the City under the right of operational management (in Ukrainian: *право оперативного управління*), as defined in the applicable Ukrainian legislation, for a period of at least six years; or
 - (iii) a territorial community in Ukraine other than the City, which has transferred that building to the City, in accordance with the applicable Ukrainian legislation, for a period of at least six years;
 - (b) it must not be located close to potential military targets and must not be used to support military activities;

- (c) it must not be in emergency state (as defined in the applicable Ukrainian legislation);
- (d) it must be connected to utility networks (i.e., heating, electricity, water, sewage, waste collection) upon completion of construction works; and
- (e) it must be located in proximity to social infrastructure (e.g., public transport, schools, kindergartens, medical facilities) to facilitate access to job opportunities for IDPs who would be living in that building."

3.3 The definition of "Project Completion Deadline" in Clause 1.1 (*Definitions*) shall be amended and restated to read as follows:

" **"Project Completion Deadline"** means, in relation to any Project, 30 September 2025 or such later date as may be notified by IFC to Grantee in writing."

3.4 The definition of "Threshold Amount" in Clause 1.1 (*Definitions*) shall be amended and restated to read as follows:

" **"Threshold Amount"** means an amount of USD 6,000, or such larger amount as may be notified by IFC to Grantee in writing."

3.5 Clause 6.6 (*Construction documentation*) shall be supplemented with a new paragraph (b) to read as follows:

"(b) Without limiting the foregoing in paragraph (a) above, Grantee shall ensure and confirm in writing to IFC that the construction documentation and/or the Project Design Documentation, or a defects certificate (in Ukrainian: *дефектний акт*) along with the corresponding cost estimate documentation (applicable in cases where the Project is implemented without the Project Design Documentation, where permitted by Ukrainian laws), accommodate(s) the implementation of fire safety measures, inclusivity and the feasibility of access to civil defence facilities (premises) in the Eligible Building. If providing access to civil defence facilities (premises) in the Eligible Building is not feasible, such access must be facilitated in another building in accordance with the applicable requirements of Ukrainian legislation and to the satisfaction of IFC; provided, however, that such IFC's satisfaction, or the lack of objections from IFC, does not constitute a warranty, endorsement or guarantee of compliance by IFC with respect to any Eligible Building. Grantee must provide the aforementioned written confirmation to IFC together with the Grant Disbursement Request for the First Tranche.",

and, accordingly, the existing paragraph (b) shall be renumbered as paragraph (c).

3.6 The first sentence of paragraph (a) of Clause 6.7 (*Reporting*) shall be amended and restated to read as follows:

"On 15 June and 15 December of each calendar year, Grantee must supply to IFC a report containing the data and information specified in Part I (*Progress-to-Date Report*) of Schedule 9 (*Reporting Data and Information*), in form and substance satisfactory to IFC, in respect of each individual Project."

3.7 Clause 7.2 (*Sharing of information*) shall be amended and restated to read as follows:

"Each of Grantee and IFC will, subject to its policies on disclosure of information (in particular the IFC Access to Information Policy), share with each other information and documents related to monitoring and verification of a Project and its respective Eligible Measures, including the results of and reports on such monitoring and verification, **provided, however, that**, subject to Clause 19.7 (*Confidentiality*), neither Grantee nor IFC will publicly disclose any information received by it from one another or from the other Parties on a confidential basis, under this Agreement, without obtaining the prior written consent of the providing Party."

- 3.8 Clause 7 (*Monitoring and Verification by IFC*) shall be supplemented with a new Clause 7.4 (*IFC Compliance Advisor/Ombudsman*) to read as follows:
- "(a) The Grantee, Council and Executive Committee each acknowledges that the IFC Compliance Advisor/Ombudsman ("**CAO**") is the independent accountability mechanism for IFC for environmental and social concerns. Additional information about the CAO can be found at <http://www.cao-ombudsman.org/>.
 - (b) In the event that the CAO receives a complaint pertaining to environmental and/or social impacts related to the Grant and upon IFC's request, the Grantee, Council and Executive Committee (as applicable) shall permit representatives of the CAO, during normal office hours and subject to any applicable laws and regulations, to:
 - (i) have access to their respective documents and/or records relating to Grant; and
 - (ii) visit and inspect sites and premises of the Grantee, Council and Executive Committee (as applicable) where matters relating to the Grant are being conducted,

in each case, solely for the purpose of carrying out CAO's role under the IFC/MIGA Independent Accountability Mechanism (CAO) Policy dated 28 June 2021 (as may be amended, varied, supplemented, replaced or restated in any manner from time to time) ("**CAO Policy**"), which can be found at <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/889191625065397617/ifc-miga-independent-accountability-mechanism-cao-policy>.
 - (c) In carrying out its work, the CAO is also covered by the IFC Access to Information Policy. Accordingly, CAO may disclose information gathered during its activities, subject to the provisions and requirements of the IFC Access to Information Policy and the CAO Policy."
- 3.9 Paragraph (b) of Clause 19.7 (*Confidentiality*) shall be replaced with two new paragraphs (b) and (c) to read as follows:
- "(b) IFC may disclose the terms of this Agreement and related information on the Grant in accordance with the IFC Access to Information Policy. By entering into this Agreement, the Grantee, Council and Executive Committee each consent to such disclosure of the Agreement and such related information.
 - (c) Without limiting the foregoing, IFC shall be permitted to disclose the terms of this Agreement to rating agencies and IFC's affiliates in the World Bank Group who are deemed appropriate by IFC in its sole judgment, as well as to any member of the World Bank Group, the competent bodies of the EU, the Donors and any of their representatives."
- 3.10 Schedule 3 (*Eligible Measures*) shall be amended and restated in the form set out in the schedule attached hereto.
- 3.11 Paragraph 2 of Schedule 4 (*Grant Disbursement Conditions*) shall be supplemented with two new subparagraphs (e) and (f) to read as follows:
- "(e) Grantee has confirmed in writing to IFC that the construction documentation and/or the Project Design Documentation, or a defects certificate (in Ukrainian: *дефектний акт*) along with the corresponding cost estimate documentation (applicable in cases where the Project is implemented without the Project Design Documentation, where permitted by Ukrainian laws), accommodate(s) the implementation of fire safety measures, inclusivity and the feasibility of access to civil defence facilities (premises) in the Eligible Building, and if providing access to civil defence facilities (premises) in the Eligible Building is not feasible, such access is facilitated in another building in accordance with the applicable requirements of Ukrainian legislation and to the satisfaction of IFC.

- (f) In instances where there is a change in the designated purpose of the Eligible Building from non-residential to residential, Grantee has submitted to IFC the duly approved city planning conditions and restrictions (in Ukrainian: *містобудівні умови та обмеження*), if applicable, as well as the necessary construction documentation for the reconstruction of the Eligible Building into a residential structure.",

and, accordingly, the existing subparagraph (e) shall be renumbered as subparagraph (g).

4. Save as provided in this Amendment Letter, all other terms and conditions of the Agreement shall remain in full force and effect. Nothing contained herein shall be construed or interpreted to have the effect of directly or indirectly modifying or in any manner affecting the validity of any provision of the Agreement, other than the provisions that have been specifically amended pursuant to this Amendment Letter, nor shall anything herein be construed or interpreted as operating a novation with respect to the Agreement. Each reference to the "Agreement", "this Agreement" and indirect references such as "hereunder", "hereby", "herein", "hereof" and words of similar import in the Agreement, as amended hereby, shall be deemed to refer to the Agreement as amended by this Amendment Letter and as the same may be further amended, supplemented and otherwise modified and in effect from time to time.
5. The representations and warranties made by each of the Grantee, the Council and the Executive Committee in Clause 13 (*Representations and Warranties*) of the Agreement shall be deemed to be repeated as of the Amendment Letter Effective Date and with reference to this Amendment Letter.
6. This Amendment Letter shall become effective on the Amendment Letter Effective Date.
7. This Amendment Letter and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales.
8. The provisions of Clauses 18 (*Governing Law and Dispute Resolution*), 19.3 (*Rights of Third Parties*), 19.9 (*Language*) and 19.10 (*Counterparts*) of the Agreement shall be incorporated into this Amendment Letter *mutatis mutandis* as if set out in full herein and, without prejudice to the foregoing, as if references in those clauses to "this Agreement" are references to this Amendment Letter.
9. This Amendment Letter may be executed and delivered in counterparts (including by transmission by facsimile or electronic format), each of which shall be identical and all of which, when taken together, shall constitute one and the same instrument, and any of the parties hereto may execute this Amendment Letter by signing any such counterpart.
10. Please acknowledge your agreement with the terms and conditions of this Amendment Letter by signing four (4) originals of this letter and returning one (1) fully executed original to IFC.

Yours faithfully

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[Full name]

[Official position]

Acknowledged and agreed by the Grantee, Council and Executive Committee:

**MUNICIPAL INSTITUTION "CENTER FOR PROVIDING SOCIAL SERVICES" OF THE
PALANKA VILLAGE COUNCIL**

.....

[Authorised signatory for Grantee]

___ [May] 2024

THE PALANKA VILLAGE COUNCIL

.....

[Authorised signatory for the Council]

___ [May] 2024

THE EXECUTIVE COMMITTEE OF THE PALANKA VILLAGE COUNCIL

.....

[Authorised signatory for the Executive Committee]

___ [May] 2024

SCHEDULE
AMENDED AND RESTATED SCHEDULE 3

ELIGIBLE MEASURES

1. Grants will be used for financing the costs and expenses related to all measures that are included in any of the following documents (such measures, the "**Eligible Measures**"):
 - (a) Project Design Documentation; or
 - (b) a defects certificate (in Ukrainian: *дефектний акт*) and corresponding cost estimate documentation, if the Project is implemented without the Project Design Documentation (where permitted by applicable laws of Ukraine).
2. Additionally, Grants will be used to reimburse the cost of project design services (including the development of the Project Design Documentation or a defects certificate with corresponding cost estimate documentation) after the completion of construction works, the commissioning of the relevant Eligible Building for housing purposes and the successful verification of the respective Project by IFC.
3. If the Eligible Measures include energy efficient materials or/and technologies for energy efficiency solutions for buildings, the costs of such materials or/and technologies will be covered by Grants.
4. For the avoidance of doubt, Grants shall not cover the costs and expenses related to the following:
 - (a) furniture and furniture-like items, except for (i) beds, (ii) closets, (iii) dinner tables and chairs, (iv) kitchen cupboards, drawers and countertops;
 - (b) home appliances, except for (i) kitchen stoves and kitchen exhaust fans, (ii) refrigerators, (iii) water boilers and (iv) laundry and drying machines;
 - (c) construction design (author's) supervision (in Ukrainian: *авторський нагляд*) and on-site construction (technical) supervision (in Ukrainian: *технічний нагляд*) of the implementation of Eligible Measures throughout the Project's implementation cycle; and
 - (d) any other measures and activities that do not fall within the definition of Eligible Measures under this Agreement.