March 29, 2019

H. E. Oksana Markarova
Minister of Finance
Ministry of Finance of Ukraine
12/2 Hrushevsky Street
Kyiv 01008
Ukraine

Re: Loan No. 8475-UA (Serving People, Improving Health Project)
Amendment to Additional Instructions: Disbursement Letter

Your Excellency:

We refer to the individual letter titled Additional Instructions: Disbursement ("Disbursement Letter") dated March 19, 2015, for the aforementioned Loan extended to Ukraine. We also refer to the Loan Agreement ("Agreement") between the International Bank for Reconstruction and Development (the "Bank") and Ukraine (the "Borrower") for the above-referenced project of even date. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8475-UA ("Loan"). This Amendment to Disbursement Letter constitutes the additional instructions.

1. The Bank hereby replaces the Section I (i) to the Disbursement Letter, in its entirety, to read as follows:

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Loan:

a) For Withdrawal Categories 1, 2 and 3, the following Disbursement Methods are available:
   - Reimbursement
   - Advance
   - Direct Payment
   - Special Commitment

b) For Withdrawal Category 6 (EEPs), the Reimbursement Method only is available

2. Section III to Disbursement Letter is replaced in its entirety to read as follows:

III. Reporting on Use of Loan Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- Categories 1, 2 and 3: - For requests for Reimbursement and for reporting eligible expenditures paid from the Designated Accounts:
  o Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for works against contracts valued at $ 500,000 or more; for payments for goods against contracts valued at $300,000 or more; for payments for consultants' services against contracts valued at $ 100,000 or more for firms, and US$50,000 for individual consultants, training and operating costs.
  o Statement of Expenditure in the form attached (Attachment 4) for all other expenditures / contracts
• **Categories 1, 2 and 3: - For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

• **Category 6 (EEPs): - For requests for Reimbursement:**
  - Interim Unaudited Financial Report (IUFR) in the format so agreed in updated Project Operational Manual;
  - and evidence, confirmed by the Task Team Leader, of the level of achievement of Disbursement Linked Indicators (DLIs) and the corresponding monetary value in USD.

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Monthly.

3. Section IV. to Disbursement Letter is replaced in its entirety to read as follows:

**IV. Other Disbursement Instructions**

• Withdrawal Category 6 - the financing of eligible expenditures from Withdrawal Category 6 depends on the achievement of results measured under DLIs (as per Schedule 5, Annex 2 to the Amendment to Loan Agreement). The Bank’s Task Team will certify the level of achievement of one or more DLIs and the corresponding amounts for reimbursement purposes. The IUFRs evidencing eligible expenditures under the EEPs for reimbursement purposes will be submitted to the Bank in USD.

• If the amount of eligible expenditures reported via IUFR is less than the monetary value that corresponds to the level of achievement of DLIs, as confirmed by the Bank’s Task Team, then disbursements will be capped at the amount of eligible expenditures reported through IUFRs.

• The only method available for Category 6 disbursements is Reimbursement.

• All Reimbursements shall be made, upon receipt of the withdrawal application, to a specific USD Budget Account of the State Treasury, identified by the Borrower in the withdrawal application.

All other provisions of the Disbursement Letter remain in full force and effect. The above-mentioned amendment to the Disbursement Letter shall become effective as of the date of this Amendment Letter.

Yours sincerely,

[Signature]

Satu Kähkönen
Country Director
Belarus, Moldova and Ukraine
Europe and Central Asia