STATUTORY COMMITTEE REPORT

TO: The President, International Bank for Reconstruction and Development

Report of the Committee under Section 4 (iii) of Article III of the Articles of Agreement on the proposed Loan (Ukraine District Heating Energy Efficiency Project) to Ukraine

The undersigned Committee constituted under Section 7 of Article V of the Articles of Agreement of International Bank for Reconstruction and Development (the Bank) hereby submits its report pursuant to Section 4 (iii) of Article III of said Articles in respect of the proposal that the Bank grant to Ukraine a loan in an amount of three hundred and thirty two million Dollars (USD 332,000,000). The purpose of said loan is to improve the energy efficiency and quality of service of selected Ukrainian district heating companies, improve their financial viability and decrease their CO2 emissions. The Project will also be supported by a loan from the Clean Technology Fund (CTF) in an amount of fifty million Dollars ($50,000,000) to Ukraine.

1. The Committee has carefully studied the merits of the proposal to grant such a loan, and of the purpose to which the proceeds of the loan are to be applied.

2. The Committee is of the opinion that the project toward the financing of which the proceeds of such loan are to be applied comes within the purposes of the Bank as set forth in Article I of said Articles of Agreement, and that said project is designed to promote the development of the productive facilities and resources of Ukraine and is in the interest of Ukraine and of the members of the Bank as a whole.
3. Accordingly, the Committee finds that said project merits financial assistance from the Bank, and hereby recommends said project for such assistance.

COMMITTEE

acting senior vice president and group general counsel

expert selected by governor for Ukraine

regional vice president Europe and Central Asia

Dated at Washington, D.C.