

**Facilitation of Resources to Invest in Strengthening  
Ukraine Financial Intermediary Fund  
Governance Framework**

*December 2, 2024*

*Adopted by the Governing Committee on December 2, 2024*

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## I. INTRODUCTION

1. Russia's invasion of Ukraine continues to cause devastating consequences for Ukraine's economy and people. According to the third Ukraine Rapid Damage and Needs Assessment,<sup>1</sup> Ukraine's total recovery and reconstruction needs over the next 10 years total \$486 billion. More immediately, the International Monetary Fund estimates that the Government of Ukraine faces a cumulative external financing gap of at least \$72.4 billion from 2025 through Q1 2027,<sup>2</sup> indicating a pressing need for direct budget support. Ukraine's needs are likely to continue and change in the coming years.

2. With broad support from the G7 and beyond, on October 10, 2024, the Executive Directors of the International Bank for Reconstruction and Development (IBRD) approved a proposal to establish a Financial Intermediary Fund for Ukraine, henceforth referred to in this document as the Facilitation of Resources to Invest in Strengthening Ukraine Financial Intermediary Fund (F.O.R.T.I.S. Ukraine FIF), and for World Bank support to the FIF as Secretariat, Trustee, and Implementing Entity.

3. The F.O.R.T.I.S. Ukraine FIF aims to provide a common platform to disburse funds to Ukraine. The F.O.R.T.I.S. Ukraine FIF will support non-military projects, programs, and activities that address Ukraine's budget needs, help ensure the sustainability of the International Monetary Fund's engagements with Ukraine, and support recovery and reconstruction. The F.O.R.T.I.S. Ukraine FIF will disburse resources to certain entities selected pursuant to the procedures as described in paragraph 24 (Implementing Entities) in order to address these needs.

## II. OBJECTIVE

4. The objective of the F.O.R.T.I.S. Ukraine FIF is to provide a coordinated financing and support mechanism to assist Ukraine in sustaining its administrative and service delivery capacity, and plan and implement its recovery, reconstruction, and reform agenda. The F.O.R.T.I.S. Ukraine FIF will provide grants to finance non-military projects, programs, and activities that support Ukraine in addressing these points, consistent with objectives including sustaining macroeconomic stability, promoting the country's reform agenda, restoring debt sustainability, ensuring coherence with the International Monetary Fund's engagements with Ukraine, and advancing Ukraine's recovery and reconstruction.

5. The F.O.R.T.I.S. Ukraine FIF aims to make funding available through the Implementing Entities to non-military projects, programs, and activities that meet the objective of the F.O.R.T.I.S. Ukraine FIF.

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<sup>1</sup> "Ukraine Third Rapid Damage and Needs Assessment (RDNA3)," February 2022-December 2023. Joint publication of the World Bank Group, Government of Ukraine, European Union, and United Nations. Available [here](#).

<sup>2</sup> "Ukraine: Fifth Review of the Extended Arrangement under the Extended Fund Facility, Requests for Waivers of Applicability of Performance Criteria, Modification of Performance Criterion, Rephasing of Access, and Financing Assurances Review-Press Release; Staff Report; and Statement by the Executive Director for Ukraine" October 18, 2024. Publication of the International Monetary Fund. Available [here](#).

### III. GOVERNANCE AND ORGANIZATIONAL STRUCTURE

6. The governing and administrative bodies of the F.O.R.T.I.S. Ukraine FIF are the Governing Committee, the Secretariat, and the Trustee. The Implementing Entities will support the implementation of projects, programs, and activities under the F.O.R.T.I.S. Ukraine FIF.

#### A. Governing Committee

7. The Governing Committee comprises decision-making members (Voting Members), non-decision-making members (Non-Voting Members), and observers (Observers).

8. **Voting Members.** Voting Members of the Governing Committee will consist of one representative from: (a) each of Canada, Japan, and the United States, which have each demonstrated a commitment to become a contributor to the F.O.R.T.I.S. Ukraine FIF (Contributors) by submitting a written pledge to the Trustee prior to the first Governing Committee meeting, and will each remain a Voting Member so long as each Contributor enters into an agreement or arrangement with the Trustee (Contribution Agreements/Arrangements) by such date as may be decided by the Governing Committee; and (b) if so decided by the Governing Committee, any other Contributor that meets the criteria set by the Governing Committee in the Operations Manual. For the avoidance of doubt, if more than one national entity of the same country are Contributors, only one representative from the same country may be designated as a Voting Member of the Governing Committee.

9. **Non-Voting Member of the Governing Committee.** The Government of Ukraine will be a Non-Voting Member of the Governing Committee to enrich deliberations and provide inputs to the Governing Committee. In this capacity, the Government of Ukraine may participate without decision-making power in all meetings of the Governing Committee in accordance with the Rules of Procedure of the Governing Committee as set forth in the Operations Manual. The role of the Government of Ukraine as a Non-Voting Member is to provide (i) important insight into the needs and priorities of Ukraine to directly inform the decisions and activities of the F.O.R.T.I.S. Ukraine FIF, including decisions regarding the use of funds; (ii) proposals for the strategic direction of the F.O.R.T.I.S. Ukraine FIF and its activities; and (iii) its endorsement of funding proposals submitted to the Governing Committee for decision.

10. **Observers.** Observers may participate without decision-making power in meetings of the Governing Committee, in accordance with the rules of procedure of the Governing Committee as set out in the Operations Manual. The following will be Observers:

- a) the Trustee;
- b) the Secretariat;
- c) the Implementing Entities;
- d) any Contributor (other than a Voting Member) making a commitment by way of entering into a Contribution Agreement/Arrangement with the Trustee to contribute to the F.O.R.T.I.S. Ukraine FIF of no less than fifty million United States dollars (\$50,000,000) equivalent;
- e) the Ukraine Donor Platform Secretariat; and

- f) any other entity or entities approved by the Governing Committee in accordance with the Operations Manual.

11. **Chair of the Governing Committee.** The Governing Committee has a Chair chosen from among its Voting Members. The Chair is selected by decision of the Governing Committee and serves for a term of one-year. The Chair will serve in a meeting of the Governing Committee in that capacity without the right to vote. The concerned Contributor represented by the Voting Member chosen as Chair may appoint an Alternate to fulfil the functions of the Voting Member during a meeting for which the Member's representative is serving as the Chair.

12. **Roles and Responsibilities of the Governing Committee.** The Governing Committee is the supreme governing body of the F.O.R.T.I.S. Ukraine FIF. The roles and responsibilities of the Governing Committee include:

- a) setting strategic directions for the F.O.R.T.I.S. Ukraine FIF, based on proposals from the Government of Ukraine;
- b) adopting this Governance Framework, and approving any amendment thereto;
- c) adopting an Operations Manual, and approving any amendment thereto, in accordance with its provisions;
- d) endorsing and monitoring any results framework for the F.O.R.T.I.S. Ukraine FIF, in accordance with Operations Manual;
- e) reviewing funding requests submitted for projects, programs, and activities (Funding Requests) and approving allocations of the F.O.R.T.I.S. Ukraine FIF resources (Allocations) based on such requests and subject to funding availability in the F.O.R.T.I.S. Ukraine FIF as determined by the Trustee;
- f) approving workplans and Allocations of indicative budgets and any additional costs as needed for the governing and administrative bodies of the F.O.R.T.I.S. Ukraine FIF;
- g) reviewing progress reports from the Implementing Entities as compiled by the Secretariat and the annual report prepared by the Secretariat;
- h) reviewing financial reports from the Trustee and financial information from the Implementing Entities as compiled by the Trustee; and
- i) exercising such other incidental functions as may be required to achieve the purposes of the F.O.R.T.I.S. Ukraine FIF.

13. **Decision-Making.** Decisions of the Governing Committee will be made by consensus of the Voting Members. For the purposes of the F.O.R.T.I.S. Ukraine FIF, consensus does not necessarily imply unanimity. A Voting Member that does not wish to block consensus, but which wishes to record its objection about a proposal may state an objection to be recorded in the meeting minutes (or by written statement for electronic decision-making). A Voting Member may also

record an abstention without stating a view or blocking a decision. In the event the Chair or a Voting Member considers that a consensus is not possible, the Chair or a Voting Member may commence the formal voting process on the basis of one seat, one vote. A decision can be approved with a two-thirds majority of the Voting Members present and voting, with any abstention considered as a vote in the affirmative. If a decision is not approved, the Chair may request the proposal be amended for further consideration or be abandoned.

14. **Special Decision-Making for Which Unanimity is Required.** Unanimity of the Voting Members will be required for decisions to (i) amend the Governance Framework and (ii) amend the Operations Manual. All special decision-making shall be conducted through voting, whether at a meeting or without a meeting. For special decision-making, all Voting Members must record affirmative votes in favor for a decision to be approved; there can be no abstentions or non-blocking objections.

15. **Decision-Making at a Meeting.** Decisions by the Governing Committee may be made at meetings, which may be convened in-person or through audio or video conference.

16. **Decision-Making without a Meeting.** Decisions by the Governing Committee may be made between meetings by email or other electronic communication media in accordance with this Governance Framework and with the Operations Manual.

17. **Governing Committee Meetings.** Unless otherwise decided by the Governing Committee, the Governing Committee is expected to meet twice a year. In addition to these meetings, special meetings may be held if so decided by the Chair, based on a proposal by any Voting or Non-Voting Member or the Secretariat. The costs of such meetings will be included in the Secretariat's administrative budget approved by the Governing Committee. Meetings are expected to be virtual unless otherwise agreed in advance by the Governing Committee.

## **B. Secretariat**

18. The Secretariat is responsible for managing the day-to-day operations of the F.O.R.T.I.S. Ukraine FIF. It operates as part of the World Bank, led by a Head, selected or removed in consultation with the Governing Committee, and comprised of a small team of professional and administrative staff employed by the World Bank. The Secretariat carries out its roles and responsibilities in accordance with World Bank policies and procedures.

19. **Roles and Responsibilities of the Secretariat.** The roles and responsibilities of the Secretariat include:

- a) supporting meetings of the Governing Committee and facilitating the Governing Committee's decision-making without a meeting;
- b) preparing the Governance Framework and Operations Manual and any amendment thereto for consideration and adoption by the Governing Committee;
- c) receiving and screening Funding Requests from Implementing Entities to ensure completeness and consistency with the Governance Framework and the Operations Manual, including ensuring that the required endorsement by the Government of

Ukraine has been obtained, before transmitting to the Governing Committee for consideration;

- d) notifying the Trustee of Allocations approved by the Governing Committee, and consulting with and providing other information to the Trustee, as necessary, to assist in day-to-day administration of the F.O.R.T.I.S. Ukraine FIF;
- e) reviewing and compiling progress reports from Implementing Entities and seeking any additional information, if necessary, for distribution to the Governing Committee, and preparing the F.O.R.T.I.S. Ukraine FIF annual report;
- f) providing guidance to Implementing Entities on the F.O.R.T.I.S. Ukraine FIF's processes and requirements as approved by the Governing Committee;
- g) in consultation with the Chair, preparing proposed decisions for consideration by the Governing Committee;
- h) managing relations with the Contributors in consultation with the Trustee, the Government of Ukraine, the Implementing Entities, and other relevant partners and stakeholders, in consultation with the Chair as appropriate;
- i) managing the F.O.R.T.I.S. Ukraine FIF's website and providing public information on the F.O.R.T.I.S. Ukraine FIF, including developing and executing a communications plan, in each instance as agreed to by the Governing Committee; and
- j) performing other incidental functions as may be necessary for facilitation of the operations of the F.O.R.T.I.S. Ukraine FIF.

### **C. Trustee**

20. The IBRD serves as the Trustee for the F.O.R.T.I.S. Ukraine FIF and carries out its roles and responsibilities in accordance with the World Bank policies and procedures. The Trustee receives funds from Contributors and holds those funds in the F.O.R.T.I.S. Ukraine FIF pursuant to the terms of Contribution Agreements/Arrangements entered into with the Contributors.

21. **Roles and Responsibilities of the Trustee.** The roles and responsibilities of the Trustee include:

- a) subject to the availability of applicable resources in the F.O.R.T.I.S. Ukraine FIF and to the terms of the Contribution Agreements/Arrangements, committing, transferring, and/or using F.O.R.T.I.S. Ukraine FIF resources in accordance with the Allocations and other funding approved under this Governance Framework. Commitments and transfers of the F.O.R.T.I.S. Ukraine FIF resources to the Implementing Entities will be made in accordance with the Financial Procedures Agreements entered into between the Trustee and the Implementing Entities (Financial Procedures Agreements);

- b) requiring and accepting from the Implementing Entities certain periodic financial reports in accordance with the Financial Procedures Agreements;
- c) providing to the Governing Committee regular reports on the financial status of the F.O.R.T.I.S. Ukraine FIF; and
- d) collaborating with the Secretariat and furnishing it with necessary information to assist the performance of its functions.

22. Neither the Secretariat nor the Trustee has responsibility for: (a) the use of funds transferred to Implementing Entities from the F.O.R.T.I.S. Ukraine FIF and activities carried out therewith, or (b) reviewing the appropriateness of any decision by the Governing Committee. Each Implementing Entity is responsible for reporting to the Governing Committee on the use of F.O.R.T.I.S. Ukraine FIF funds transferred to it and its activities carried out therewith in accordance with the respective Financial Procedures Agreement.

23. Support to the F.O.R.T.I.S. Ukraine FIF is provided by the Trustee and the Secretariat on a full cost recovery basis, to be covered by the F.O.R.T.I.S. Ukraine FIF. The Trustee and the Secretariat, respectively, will submit annually (or such other periodicity as may be agreed with the Governing Committee) a work plan and indicative budget to the Governing Committee for approval setting out the allocation of F.O.R.T.I.S. Ukraine FIF funds to cover the estimated full costs of services to be provided by the Trustee and the Secretariat in the upcoming period. Budgets are subject to an end of budget period adjustment on the basis of full cost recovery for the services provided during that period, with adjustment to the budget approved by the Governing Committee. Funds provided for the Trustee and Secretariat budget not used at the end of the budget period are returned to the F.O.R.T.I.S. Ukraine FIF and available for Allocation by the F.O.R.T.I.S. Ukraine FIF.

#### IV. OTHER

24. **Implementing Entities (IEs).** The World Bank Group, including the IBRD, International Finance Corporation (IFC), and Multilateral Investment Guarantee Agency (MIGA), the European Bank for Reconstruction and Development (EBRD), and such other entities accredited in the future by the Governing Committee through a process satisfactory to the Trustee, as set out in the Operations Manual (collectively, the IE Eligible Entities) are eligible to become Implementing Entities for the F.O.R.T.I.S. Ukraine FIF. IE Eligible Entities may participate in the F.O.R.T.I.S. Ukraine FIF as Implementing Entities by entering into Financial Procedures Agreements with the Trustee, after which they become eligible to submit Funding Requests to the F.O.R.T.I.S. Ukraine FIF through the Secretariat to seek Allocations.

25. **Roles and Responsibilities of Implementing Entities.** Without prejudice to the provisions of the Financial Procedures Agreements, the roles and responsibilities of each Implementing Entity include:

- a) administering the F.O.R.T.I.S. Ukraine FIF funds transferred to it, including the use of the funds and activities carried out therewith, in accordance with (i) the Implementing Entity's applicable policies and procedures, (ii) the provisions of the

Financial Procedures Agreement, and (iii) the applicable terms and conditions under which Allocations to the Implementing Entity have been approved, including the applicable provisions of the Governance Framework and the Operations Manual;

- b) providing implementation and/or implementation support to the beneficiaries of F.O.R.T.I.S. Ukraine FIF funding, as applicable;
- c) providing financial and progress reporting to the Governing Committee through the Trustee and the Secretariat; and
- d) cooperating on any reviews and evaluations of the F.O.R.T.I.S. Ukraine FIF under terms acceptable to the Implementing Entities.

## V. OPERATIONAL MODALITY

26. **Operations Manual.** The Secretariat will prepare, for adoption by the Governing Committee, the Operations Manual and any amendment thereto, setting out, among others, rules and procedures for Governing Committee business, and operating principles and guidelines for the operations of the F.O.R.T.I.S. Ukraine FIF, including eligibility, resource allocation criteria, process, and a common format for Funding Requests, disclosure, and conflict of interest.

27. **Scope.** Any non-military projects, programs, or activities that serve the needs of Ukraine are eligible to receive funding from the F.O.R.T.I.S. Ukraine FIF.

## VI. DURATION; AMENDMENT

28. **F.O.R.T.I.S. Ukraine FIF Operations Start Date.** The Governing Committee may consider and approve allocation of F.O.R.T.I.S. Ukraine FIF resources for projects, programs, and activities once a Contribution Agreement/Arrangement from at least one country has been signed for an aggregate amount of two-hundred million United States dollars (\$200,000,000) equivalent and written pledges from a minimum of two additional countries have been received. For the avoidance of doubt, the Governing Committee may approve allocations for the budgets of the Secretariat and the Trustee at any time prior to such date.

29. **F.O.R.T.I.S. Ukraine FIF End Approval Date.** Unless the IBRD's role as Trustee of the F.O.R.T.I.S. Ukraine FIF is terminated earlier in accordance with the provisions of the Contribution Agreements/Arrangements (F.O.R.T.I.S. Ukraine FIF Early Termination), the Governing Committee may approve any Funding Request for Allocation of F.O.R.T.I.S. Ukraine FIF resources until December 31, 2034 (the F.O.R.T.I.S. Ukraine FIF End Approval Date). The Trustee may receive any contribution payments from Contributors up to the F.O.R.T.I.S. Ukraine FIF End Approval Date. The F.O.R.T.I.S. Ukraine FIF End Approval Date may be extended by a decision of the Governing Committee with the agreement of the Trustee.

30. **F.O.R.T.I.S. Ukraine FIF Term.** The Trustee may, for five (5) years (or such longer period as agreed by the Trustee and Governing Committee) after the F.O.R.T.I.S. Ukraine FIF End Approval Date, continue transfers of F.O.R.T.I.S. Ukraine FIF funds to the Implementing Entities with respect to the Allocations approved by the Governing Committee on or before the F.O.R.T.I.S. Ukraine FIF End Approval Date. Following the end of the F.O.R.T.I.S. Ukraine FIF End Approval Date, the Trustee, the Secretariat, and the Governing Committee may continue performing their respective functions on an as needed basis, as agreed by the Governing Committee.

31. **Implementing Entities Implementation Period.** The proposed implementation period of a project, program, or activity undertaken by an Implementing Entity will be set out in the respective Funding Request submitted by the Implementing Entity for approval of Allocation by the Governing Committee. Such implementation period may extend beyond the F.O.R.T.I.S. Ukraine FIF End Approval Date to meet the needs of the concerned project, program, or activity.

32. **Amendment to this Governance Framework.** This Governance Framework may be amended by a unanimous Governing Committee decision, with the agreement of the Trustee.