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**Subject:** RE: Ukraine Loan Guarantee IPC | Wednesday 9/30 at 8:30am, Situation Room

All, Apologies for the repeat email. I understand that some people are having trouble seeing the SOC pasted in the body of the email below. Please find it attached as well.

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**From:** Segal-Knowles, Christina  
**Sent:** Thursday, October 01, 2015 8:05 AM  
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**Subject:** SOC: Ukraine Loan Guarantee IPC | Wednesday 9/30 at 8:30am, Situation Room

All, thank you for a productive meeting yesterday. Please find a SOC below.

It was agreed:

- The IPC concluded that (1) Ukraine has made sufficient progress on its reform agenda to justify a third guarantee and (2) Ukraine has an economic need for the guarantee and it is in our strategic interest to provide one. As such, the IPC recommends moving forward with a third loan guarantee for Ukraine in the near-term, noting State/F's preference to issue the guarantee as late as possible to allow more clarity on the budget context and Embassy Kyiv and Treasury's assessment that Ukraine needs the guarantee by end-2015.
- The IPC notionally approves the following proposed conditions precedent, with the caveats listed below

- Macroeconomic Stability
  - Social Safety Net
  - Anti-Corruption (e-procurement) – but with revised CP language that is more specific.
  - Rule of Law (prosecutor general’s office) – but with a preference to revise the CP to better ensure that the decision to set up an independent inspector general cannot be easily overturned and that the independent inspector general is subject to appropriate oversight and accountability.
- USAID, working with State, will revise the Anti-Corruption/e-procurement CP to make it more specific **(USAID and State by October 6)**
  - State (including via consultation with State/INL) and DOJ will explore options to further strengthen the PGO CP and submit a revised proposal **(State and DOJ by October 6)**
  - The IPC recommends dropping from consideration the conditions related to Naftogaz receivables, privatization, and the deposit guarantee fund.
  - The IPC will be open to reconsidering the condition on the independent energy regulator if there is new information that suggests that the condition is achievable and that including this condition in our loan guarantee agreement will make a material difference in advancing this reform.
  - Departments and agencies will continue to search for conditions precedent that would represent a significant but achievable step forward on key reforms **(all by October 6)**. In particular:
    - Treasury will complete draft one-pagers on potential financial disclosure and large taxpayer unit CPs, drawing on information from their ongoing consultation with the IMF and World Bank **(Treasury by October 6)**
    - USAID, with input from Post and DOE, will update the one-pager on the electricity market law to better reflect the current state of play and any political risks **(USAID, State, DOE by October 6)**
    - State, working with USAID, will revise the draft CP on e-Governance to make it more concrete. **(State and USAID by October 6)**
  - NSC will host a sub-IPC to discuss new and revised conditions precedent. **Please note that this sub-IPC has been scheduled for Wednesday, October 7 at 9:00 am in the White House Situation Room.** We will send a separate invitation later this morning.