

Draft Capacity-to-Repay Assurances Language

Ukraine faces risks and uncertainties related to the hazardous security situation, policy implementation capacity, and external developments. We acknowledge the very high uncertainty now prevailing in Ukraine, reflected in the IMF's baseline and downside scenarios, and scenarios beyond the downside. We note the IMF's assessment that appropriate support from creditors and donors will be required during the program period to ensure Ukraine's debt sustainability across potential scenarios.

In conjunction with Ukraine's continued commitment to macroeconomic, fiscal, governance and other structural reforms as well as strong engagement of all other stakeholders, including International Financial Institutions and the private sector, in addition to the substantial support already provided, we intend to continue financially supporting Ukraine on appropriate terms and conditions to help achieve a balanced growth path, medium-term external viability, and debt sustainability across potential scenarios. Beyond the period of the IMF-supported program, we will also continue our joint efforts to support and contribute to Ukraine's repair of its critical infrastructure, recovery and reconstruction.

We have also committed through Ukraine's creditor committee to deliver debt relief in two stages within the period of the Fund's proposed extended arrangement under the EFF. We confirm that during this initial period of the proposed extended arrangement we will put in place a new deferral with respect to those obligations of Ukraine that are falling due to us over the program period, until a final restoration of Ukraine's debt sustainability can be achieved before the end of the proposed extended arrangement and in conjunction with Ukraine seeking comparable debt treatment from other official bilateral creditors and a credible process to achieve comparable overall contributions from private creditors.

We reaffirm the commitment made by our leaders for our full support for Ukraine's independence, territorial integrity and sovereignty in its internationally recognized borders. We will continue to provide financial, humanitarian, military, diplomatic and legal support and will stand firmly with Ukraine for as long as it takes.

In order to allay the risks to the Fund from lending to Ukraine under these exceptional circumstances, we reaffirm our recognition of the Fund's preferred creditor status in respect of the amounts currently outstanding to Ukraine, plus any purchases under the proposed extended arrangement. We further undertake to provide adequate financial support to secure Ukraine's ability to service all of its obligations to the Fund, in accordance with the Fund's preferred creditor status and complementing the IMF's multilayered risk management framework.