

VULNERABLE GROUPS OF SUB-BORROWERS

Under the EBRD intermediated finance programmes in Ukraine, within the EU supported Ukraine Investment Framework (“UIF”) and complementary initiatives, the vulnerable group of sub-borrowers includes: (i) residential¹ and sole proprietor sub-borrowers that are vulnerable persons (as defined below) and (ii) MSMEs that are majority-owned by such vulnerable persons, employ vulnerable persons constituting at least 10% of their permanent staff, or operate a business providing services or working with vulnerable persons where these individuals make up more than 10% of their clients, revenue or residents (for housing associations).

#	Vulnerable Persons/Sub-Borrower Category	Definition	MSME Sub-Borrowers Eligible for <i>Additional</i> Investment Incentives under SMECI ² (Yes/No)	Residential Sub-Borrowers Eligible for <i>Additional</i> Investment Incentives under ESSF ³ (Yes/No)	Typical documents confirming the Vulnerable Sub-Borrower’s status
1	Sub-borrowers that suffered asset destruction and/or losses due to the war on Ukraine	Sub-borrowers that have been relocated or suffered destruction and/or losses of assets due to Russia’s war of aggression, provided that the value of war-related losses or damages equals or exceeds 15% of the eligible sub-loan(s) to such sub-borrower provided under the programme.	YES (up to 15% of additional investment incentives; the maximum incentive amount is 30% of eligible SMECI sub-loan). Specific criteria and conditions for MSME sub-borrowers in this category to receive additional investment incentives under the <i>Enterprise Renaissance Window</i> (“ERW”) are outlined in the EaP SMECI Policy Statement (please refer to one of the partner banks for details).	YES (up to 10% of additional investment incentives; the maximum incentive amount is 30% of eligible ESSF sub-loan). The investment incentive levels and specific criteria and conditions for residential sub-borrowers to receive investment incentives are outlined in the ESSF Policy Statement (please refer to one of the partner banks for details).	• (mandatory) a written certified confirmation of the Verified Damage from the sub-borrower’s authorised senior management representative (<i>Verified Damage confirmation form can be obtained from partner banks</i>); and • (mandatory) photographic evidence confirming the asset condition <i>after</i> the war damage, indicating, where feasible, unique identifiers (e.g., serial numbers, VIN codes, etc., depending on the type of asset), unless direct access to the damaged assets is not possible or would endanger the safety of the sub-borrower or its staff (e.g., assets are located in occupied territories or areas affected by active hostilities); and • (at least one, but preferably all of the below supporting documents that are available): • latest available third-party valuation reports confirming the asset value before and/or after the damage; and/or • state acts of damage (destruction) of assets with the indication of damage (destruction) causes; and/or • photographic evidence confirming the asset value and condition <i>before</i> the damage; and/or • extract from the register(s) of the war damaged assets generally used in Ukraine; and/or • loss compensation claims to insurance provider(s), police, court (accompanied with extracts from the register of criminal proceedings); and/or • a court decision confirming the war damage; and/or • historical financial documents, including purchase receipts, service acts, depreciation schedules, and/or investment records that detail the acquisition cost, depreciation, and any improvements made to the assessed war damaged assets or costs of relocation of sub-borrowers’ assets from War Affected Territories⁴.
2	War Veterans and their Family Members	"War Veteran" has the meaning given to that term in the law “on the Status of War Veterans, Guarantees of their Social Protection” ⁵ , provided the war veteran would have been eligible for such status based on his/her actions defending Ukraine or disabilities as a result of the war occurred from 2014 onwards; and excluding the	YES (up to 15% of additional investment incentives; the maximum incentive amount is 30% of eligible SMECI sub-loan).		• (mandatory) a written representation from the sub-borrower’s authorised senior management representative confirming the last 6 months average total number of permanent/full time employees (FTEs) and number of FTEs eligible for war veteran status; and

¹ An individual or group of individuals (inter alia acting as a housing association, or other equivalent body, in each case, which represents the interests of residents) recognised and registered under the laws of Ukraine as the residents in or owners of or with access to the dwelling or the building in Ukraine

² EU-EBRD SME Competitiveness and Inclusion Programme in Eastern Partnership (publicly known as “EBRD-EU4Business Credit Line with Incentives”)

³ EBRD’s Energy Security Support Facility

⁴ Please see this definition for sub-borrower category #5 below. To clarify, each sub-borrower from the War Affected Territories shall be assigned *either* to (i) the category #1 if they have provided relevant documents confirming the Verified Damage, or (ii) category #5 if they have not incurred any direct war-related losses, or were unable to quantify them by providing relevant evidence to confirm the Verified Damage under the sub-borrower category #1.

⁵ <https://zakon.rada.gov.ua/laws/show/3551-12#Text>

		“veterans of labour” category that is envisaged under this law when it was originally adopted in 1993. "Family Member" (of a War Veteran) means a spouse, son/daughter, and/or parents.	Specific criteria and conditions for MSME sub-borrowers reintegrating war veterans and their family members to receive additional investment incentives under the <i>Veterans and War-Affected Persons Reintegration Window</i> (“VRW”) are outlined in the EaP SMECI Policy Statement (please refer to one of the partner banks for details). !IMPORTANT! To be eligible for additional investment incentives under VRW, VRW sub-borrowers shall implement or commit to implement veteran-friendly measures with the support of EBRD consultant(s) and the partner banks (please refer to one of the partner banks for details).		• (mandatory for MSME sub-borrowers under VRW) a written letter of commitment (certified by MSME senior management) to implement veteran friendly measures and veteran reintegration policy based on the template and materials prepared by the EBRD consultants (<i>the template and materials can be obtained from partner banks</i>); and • a list of FTEs, indicating a document type that confirms war veteran status (e.g., certificates of veteran, participation in hostilities, family member of deceased defenders of Ukraine, etc.) and/or Single Social Contribution Report (“SSCR”) (line No. 101) and Appendices 1 thereto for each month of the quarter with the list of employees. The above documents should be complemented with any of the below relevant certificates: • a participant in hostilities, • a person with a disability as a result of war, • a war participant, • a family member of a deceased war veteran, • a family member of a deceased Defender of Ukraine, • an injured participant in the Revolution of Dignity
3	Internally Displaced Person ("IDP") or Returnee	"Internally Displaced Person" or “IDP” has the meaning given to that term in the law “on Ensuring the Rights and Freedoms of Internally Displaced Persons”⁶ where “IDP” is defined as a citizen of Ukraine, a foreigner or a stateless person who is legally present on the territory of Ukraine and has the right for the permanent residence in Ukraine, who was forced to leave or abandon his/her/their place of residence as a result of or in order to avoid the negative consequences of the armed conflict, temporary occupation, widespread violence, human rights violations and natural or man-made emergencies. “Returnee” has the meaning given to that term in the law “on Ensuring the Rights and Freedoms of Internally Displaced Persons”, where “Returnee” is identified as an individual who was previously an IDP and has voluntarily returned to his/her/their place of habitual residence after the situation that caused their displacement has improved or resolved. All in relation to the war on Ukraine occurred from 2014 onwards.	No	YES (up to 10% of additional investment incentives; the maximum incentive amount is 30% of eligible ESSF sub-loan). The investment incentive levels and specific criteria and conditions for residential sub-borrowers to receive investment incentives are outlined in the ESSF Policy Statement (please refer to one of the partner banks for details).	• a written confirmation from the sub-borrower's authorised senior management representative confirming the last 6 months average total number of permanent/full time employees (FTEs) and number of FTEs eligible for IDP status; • a list of FTEs, indicating a document type that confirms IDP status; and/or Single Social Contribution Report (“SSCR”) (line No. 101) and Appendices 1 thereto for each month of the quarter with the list of employees. If the SSCR is not available (e.g., in mid-calendar quarter), the Labour Report. • confirmation of the status of an internally displaced person and IDP certificate; or, for the Returnees, a copy of the decision on withdrawal or invalidation of the IDP certificate (on the grounds of return to the abandoned place of permanent residence).
4	Persons with Disability	“Disability” means long-term physical, mental, intellectual, or sensory impairment which in interaction with various barriers may hinder a person’s full and effective participation in society on an equal basis with others⁷.	No		• a written confirmation from the sub-borrower's authorised senior management representative confirming the last 6 months average total number of permanent/full time employees (FTEs) and number of FTEs eligible for Persons with Disability status; • confirmation of status of a person with a disability.
5	Sub-borrowers from the War Affected Territories	A residential sub-borrower located in a War Affected Territory of Ukraine or an MSME that has relocated substantially all of its business operations from a War Affected Territory or operates in a War Affected Territory of Ukraine. "War Affected Territories" means, at any relevant time, any territories of Ukraine that have most suffered from the Russia’s war of aggression, comprising basic administrative units of Ukraine (communities, or “terytorialna hromada”) in which military operations are (were) conducted or territories temporarily occupied by the Russian Federation, as identified by the government of Ukraine in line with Resolution #1364 dated 6 December 2022 on “Some Issues of Formation of the List of Territories in which Military Operations are (were) Conducted or Temporarily Occupied by the Russian Federation” and listed in the Order No. 376 dated 28	No		• a written confirmation from the sub-borrower/sub-borrower's authorised senior management representative and supporting documents (resident address, rental agreement, business or real estate register extract etc.) confirming the sub-borrower’s operational location in communities listed in the Order No. 376 of the Ministry for Development of Communities and Territories of Ukraine «On Approval of the List of Territories in which Military Operations are (were) Conducted or Temporarily Occupied by the Russian Federation» dated 28 February 2025.

⁶ <https://zakon.rada.gov.ua/laws/show/en/1706-vii?lang=uk#Text>

⁷ See further info here: Disability | European Foundation for the Improvement of Living and Working Conditions (europa.eu)

		February 2025 “On Approval of the List of Territories in which Military Operations are (were) Conducted or Temporarily Occupied by the Russian Federation” ⁸ or other official Ukrainian government sources listing such war affected territories that may replace the mentioned documents in the future.			
6	Women-led MSMEs	"Undertaking Led by a Woman" means a company, enterprise, firm, business, sole proprietor, or other legal entity where: (a) either: (i) the Overall Operational Management Responsibility is held by a woman (or women); or (ii) the percentage of the entity's shares (if applicable) that are directly owned, by vote and/or value, by a woman or women, is greater than 50%; or (b) the entity satisfies the criteria for a “women-led” or “women-owned” business prescribed by the law or regulations of Ukraine or published by the Ukrainian local authority. "Overall Operational Management Responsibility" means, in relation to an individual/natural person and an enterprise, that individual/natural person holding the highest executive role at the enterprise (which will generally be the Chief Executive Officer, Director, General Manager or Managing Director, or an equivalent position).	No	No	• a written confirmation from the sub-borrower's authorised senior management representative confirming that either (i) the sub-borrower's Operational Management Responsibility is held by a woman/women or (ii) the percentage of the entity's shares (if applicable) that are directly owned, by vote and/or value, by a woman or women, is greater than 50%; and • the sub-borrower's Operational Management Structure confirmed by the sub-borrower's authorised senior management representative; and/or • an extract from the Unified State Register confirming the ownership structure of the sub-borrower.
7	Youth-led MSMEs	"Undertaking Led by a Youth" means a company, enterprise, firm, business, sole proprietor, or other legal entity where: (a) the Overall Operational Management Responsibility for which is held by a person (or persons) under the age of 35; or (b) the percentage of the entity's shares (if applicable) owned by person(s) under the age of 35 own(s) is over 50%. "Overall Operational Management Responsibility" means, in relation to an individual/natural person and an enterprise, that individual/natural person holding the highest executive role at the enterprise (which will generally be the Chief Executive Officer, Director, General Manager or Managing Director, or an equivalent position).	No	No	• a written confirmation from the sub-borrower's authorised senior management representative confirming that either (i) the sub-borrower's Operational Management Responsibility is held by a young person(s) or (ii) the percentage of the entity's shares (if applicable) that are directly owned, by vote and/or value, by a young person (s), is greater than 50%; and • the sub-borrower's Operational Management Structure confirmed by the sub-borrower's authorised senior management representative; and/or • an extract from the Unified State Register confirming the ownership structure of the sub-borrower.

⁸ <https://zakon.rada.gov.ua/laws/show/z0380-25>