

**MEMORANDUM OF UNDERSTANDING**

**between**

**NATIONAL BANK OF UKRAINE**

**AND**

**EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**IN RESPECT OF**

**COOPERATION IN SUPPORT OF FINANCIAL INCLUSION AND REINTEGRATION  
OF WAR VETERANS IN UKRAINE**

**Dated 9 April 2024**

This **MEMORANDUM OF UNDERSTANDING** (the "**Memorandum**" or "**MOU**") is between:

- (1) The National Bank of Ukraine (the "**NBU**");
- (2) the European Bank for Reconstruction and Development (the "**EBRD**"),

each referred to as a "**Party**" and together as the "**Parties**".

## **WHEREAS**

- (A) NBU is the regulator of the Ukrainian financial sector according to the Law of Ukraine "On the National Bank of Ukraine" as of 20 May 1999 No. 679-XIV.
- (B) EBRD is an international organization established under public international law pursuant to the Agreement Establishing the European Bank for Reconstruction and Development dated 29 May 1990. Ukraine acceded to the Agreement Establishing the European Bank for Reconstruction and Development and became a member of the EBRD in 1992.
- (C) The Parties cooperate from time to time on various initiatives and wish to deepen their collaboration in supporting efficient and effective financial inclusion and professional reintegration of Ukrainian war veterans ("Veterans") through agreeing on principles and implementation steps.

The Parties have come to the following understanding:

### **Section 1 Background**

As a result of Russia's aggression, close to 880,000 people in Ukraine were directly participating in military operations as of January 2024.<sup>1</sup> For these individuals, military service has resulted in a temporary separation from the labour market, business suspension, which may not only affect their present financial situation, and that of their immediate families, but may also adversely influence their career prospects and income generating abilities in the medium to long run, particularly if individuals released from duty are perceived as less skilled workers, or riskier borrowers, or if physical injury or disability have reduced their capacity to work. Indeed, in a recent survey of employers, 24.2% of interviewed Ukrainian businesses believed that most veterans would lose their previous qualifications and need additional training to catch-up with the professional level they held before military service.

Unless employers put in place adaptation, re-qualification programmes and physical accommodations to support veterans' transition into the workplace, many of them will struggle to find suitable work opportunities. At present, only 18.1% of Ukrainian employers have implemented adaptation programmes or support measures for their veteran employees, with the most frequent intervention being psychological support.

For some veterans, entrepreneurship may represent a more appealing career choice. According to a survey conducted by the Ukrainian Veterans Foundation under the Ministry of Veterans, 63.6% of veterans would like to engage in entrepreneurship in the future and 26.3% would need to raise investments to start their business. However, obtaining loans from financial institutions may prove difficult for veterans with no previous business experience and/or lack of collateral, as they are likely to be perceived as risky borrowers.

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<sup>1</sup> As of July 1, 2022, the total number of persons subject to the provisions of the Law of Ukraine "About the status of war veterans, guarantees of their social protection" was 851,068 people.

The longer active military duty lasts, the more significant the scarring effects of veterans' separation from civilian life may be, both for the veterans and for their immediate families. Indeed, during martial time, a spouse of the veteran tends to carry out the majority, if not all, of the care responsibilities for the children and elderly family members. In addition, the separation from the labour market of a person who used to be the main carer, will negatively affect the family's finances. Supporting a prompt and smooth reintegration of veterans into the labour market and protecting their access to employment, entrepreneurship, finance, and other economic opportunities is, therefore, imperative.

Actions being implemented now will play a significant role in restoring the livelihoods of many of Ukraine's demobilised workers and entrepreneurs. This will not only alleviate the care burdens and expand economic opportunities for their carers and family members, but also lessen the burden on the state budget through an increase in economically active population, an establishment of new enterprises, and a reduction in state subsidies. Actions taken now will also prepare the ground for a broader demobilisation to be enacted in the country after an eventual end to Russia's aggression in Ukraine.

## **Section 2 Purpose and Areas of Cooperation**

EBRD actively invests in Ukraine to support the transition to, inter alia, an inclusive market economy. An inclusive market economy ensures a level playing field for all individuals to access economic opportunities where no group or segment of the society faces differential barriers in accessing employment, entrepreneurship, finance, and other economic opportunities, due to their characteristics or circumstances.

According to estimates, Ukrainian Financial Institutions ("UFIs") serviced over 30 million customers and employed over 210,000 people in 2021. Their outreach means that they are uniquely positioned to positively accompany veterans on their reintegration journey through both direct and indirect support. Direct support entails supporting veterans, and their immediate families, with access to finance and access to jobs in the financial sector through the adoption of inclusive policies and accessible adaptation of premises and workspaces; indirect support can be provided by UFIs through supporting their own corporate clients (which may employ or serve veterans) in becoming more inclusive and accessible businesses.

NBU, as the regulator of the bigger portion of the financial sector, can rally UFIs around these objectives, by setting out, in cooperation with EBRD, a "Charter for the Financial Inclusion and Reintegration of Veterans in Ukraine" (the "Charter"). The Charter will lay out best practices and create a sector-wide common approach for financial institutions to become more inclusive and accessible financial service providers and employers. In addition, it may also serve as a blueprint for other sectors on how to integrate inclusive policies and procedures to promote and support the reintegration of veterans into the economy.

By signing up to the Charter, UFIs will signal their intention to support veterans' inclusion, and will be expected to align with a set of minimum standards over the course of two years on a best effort basis. A detailed Guidance Note will lay out such minimum standards, as well as practical information (e.g., case studies, templates, etc.), for UFIs to implement the commitments expressed in the Charter, namely:

- **How UFIs can become more accessible and inclusive financial service providers.** This will entail making financial services easier for veterans and their immediate families to access and use, for instance, through the offer of dedicated and adapted products or services, accessible and trigger-free bank branches and online services, veteran-targeted marketing campaigns, and training of branch staff. This will enable veterans to meet their immediate financial needs, invest into their education, and start, resume, or expand their businesses. In

addition, under this component, UFIs could develop initiatives to support their own clients, who may employ or serve veterans, in becoming more inclusive and accessible businesses.

- **How UFIs can become more accessible and inclusive employers.** This will entail removing obstacles that may impede veterans' ability to return to work in the financial sector by introducing:
  - a) Accessibility requirements to support veterans through the use of modified equipment or devices (e.g., assistive technology) or through physical modifications to the workplace (e.g., reconfiguring a workspace, including adjusting the height of desks or shelves for wheelchair users or enabling step-free access through ramps and lifts, and equivalent safety / evacuation procedures).
  - b) Safe, i.e. trigger-free and risk-free, spaces for veterans suffering from post-traumatic stress disorder, e.g., avoidance of loud noises that may be associated with trauma.
  - c) Inclusive human resources policies and practices that support both veterans and their colleagues in the transition, e.g., the introduction of flexible schedules, accommodations for service-related disabilities, psycho-social support for affected staff members, training for all staff, childcare policies, and more equal retention and advancement opportunities within the company.

In view of the above, the purpose of this MOU is to set a cooperation framework between NBU and EBRD to support financial inclusion and a smooth and timely reintegration of veterans into professional life through the following actions:

1. Agreeing upon a sector-wide "Charter for the Financial Inclusion and Reintegration of War Veterans in Ukraine" for UFIs to sign up to;
2. Developing, in collaboration with qualified external experts retained by EBRD, a Guidance Note detailing the minimum standards and practical information to support UFIs in the implementation of the commitments expressed in the Charter;
3. Promoting the Charter and the Guidance Note across the financial sector;
4. Making adjustments to the Guidance Note from time to time, based on feedback received from the signatories and the (re)assessment of evolving needs;
5. For EBRD: providing dedicated technical assistance to its own client UFIs, supporting them in the implementation of the Guidance Note; and
6. For NBU: monitoring the implementation of the Charter through a regular reporting exercise, disclosing (aggregate) results publicly, and communicating disaggregated results to EBRD.

### **Section 3      Communications**

Any notice or other communication to be given or made under this MOU will be addressed and sent to the following contact points or at such other address as either Party designates by notice to the other Party:

*For NBU:*

*9 Instytutska St., Kyiv, 01601  
Ukraine  
Attention: International Cooperation Department  
E-mail: [Sergiy.Khudiyash@bank.gov.ua](mailto:Sergiy.Khudiyash@bank.gov.ua)*

*For the EBRD:*

*5 Bank Street, London, E14 4BG  
United Kingdom  
Attention: Financial Institutions Ukraine  
E-mail: [Poghosya@ebrd.com](mailto:Poghosya@ebrd.com)*

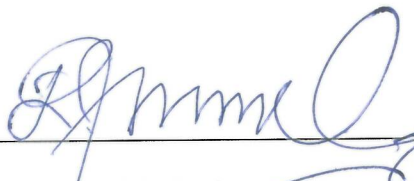
#### Section 4 Final Provisions

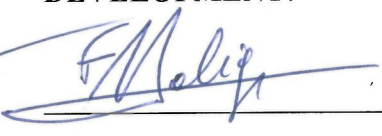
- (a) This Memorandum reflects the views and intentions of the Parties to co-operate, expressed in good faith but without the creation of any legal or financial obligations or the incurrance of any liability on the part of either of them. No third party shall obtain any legal benefit from this Memorandum.
- (b) It is understood and agreed that nothing in this Memorandum will constitute, or be construed as, an offer, promise or undertaking by either Party to finance all or part of any activity or project identified in or pursuant to this Memorandum.
- (c) In the event that opportunities are identified, specific arrangements for any such activity or project would need to be agreed upon between the Parties. Each of the Parties will incur its own expenditures arising as the result of the implementation of this Memorandum, unless otherwise specified in relevant separate agreements.
- (d) Nothing in this Memorandum will constitute nor be construed as a waiver, renunciation or other modification, either express or implied, of any of the privileges, immunities and exemptions granted to the EBRD under the Agreement Establishing the European Bank for Reconstruction and Development, international convention or any applicable law.
- (e) Any dispute arising out of, or in connection with, the interpretation or application of any provision of this Memorandum will be settled amicably through consultations.
- (f) This Memorandum will come into effect on the date when signed by both the Parties and will remain in effect for three years, unless parties agree in writing to extend it for another three year period. Either Party may terminate this Memorandum before the expiry date upon submitting to the other Party of a prior written notice of its intention to terminate this Memorandum. In such case, this Memorandum will terminate 90 days after receipt of such notice by the corresponding Party.

IN WITNESS WHEREOF, NBU and the EBRD, each acting through its duly authorized representative, have signed this Memorandum in four originals, in the English language.

**NATIONAL BANK OF UKRAINE:**

**EUROPEAN BANK FOR  
RECONSTRUCTION AND  
DEVELOPMENT:**

  
Name: Andriy Pyshnyy  
Title: Governor of the National Bank of  
Ukraine

  
Name: Francis Malige  
Title: Managing Director, Head of Financial  
Institutions

**Annex Suggested Text for the Charter**

We, the Signatories of the Charter, are committed to supporting the reintegration of war veterans (“Veterans”) into civilian life and protecting their access to employment, entrepreneurship, finance, and other economic opportunities, contributing towards a sustainable and inclusive financial sector in Ukraine.

We, the Signatories, acknowledge the importance of the Charter as part of a national and holistic approach to promote the economic inclusion of veterans and their families both as employees in the financial sector and in the real economy and as users of financial services. We also acknowledge that military service has significantly affected veterans’ immediate families, by placing care responsibilities for the children and the elderly on veterans’ spouses and negatively affecting the families’ finances.

We, the Signatories, recognise the urgent need for support measures to be implemented by the financial sector to:

1. Make financial services more accessible and inclusive for veterans to access and use on an equal basis;
2. Remove obstacles that may impede veterans’ ability to return to work through the introduction of inclusive HR policies and practices in the financial sector; and
3. Ensure safe, i.e. trigger-free and risk-free, spaces for veterans suffering from post-traumatic stress disorder.
4. Adopt accessibility improvements to support veteran clients and employees through the use of modified equipment or devices or physical modifications to the workplace and premises.
5. Support clients, who may employ or serve veterans, in becoming more inclusive and accessible businesses.

We, the Signatories, endorse the Charter, will make efforts for its implementation and intend to:

1. Designate a senior leader to champion the organisation’s efforts to support veterans;
2. Introduce measures that will support the economic inclusion and reintegration of veterans into civilian life, as users of financial services and as employees in the financial sector; and
3. Inform the National Bank of Ukraine on the progress of the introduced measures on a regular basis, and publicly disclose such progress on an annual basis.

*Date:* \_\_\_\_\_

*Signature:* \_\_\_\_\_

*Date:* \_\_\_\_\_

*Signature:* \_\_\_\_\_

*Date:* \_\_\_\_\_

*Signature:* \_\_\_\_\_