



Terms and Conditions of Ukrainian Residential Energy Efficiency Financing Facility (IQ energy) Loans and Grants

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1. Executive Summary

Any individual who has an access to a dwelling in Ukraine and wants to improve the energy efficiency of this dwelling can benefit from IQ energy programme. IQ energy offers investment incentives (grants) subject to the following terms and conditions:

- Energy efficiency projects should be eligible, i.e. comply with building norms and use only approved materials and technologies;
- They have to be financed by a loan from participating financial institutions;
- The project has to be completed within four months from the date of loan;
- The borrower has to register in IQ energy web-based Grant Management System, request the grant and provide personal details and details about the project for proper verification;
- The loan has to be outstanding by the time the borrower requests the grant; and
- The borrower has not requested a grant from any other facility for the same project.

Any individual can receive in total up to EUR 3'000 worth of grant for one or several projects. Grant is paid in EUR to borrower's bank account which could not be the loan account. Grants are paid by participating financial institutions upon successful project verification by IQ energy engineers.

This document contains important details and rules for loans and grants for individual borrowers under IQ energy Finance Facility. Please read this carefully before taking out an IQ energy loan and before applying for IQ energy grant.

By using IQ energy loan and / or by applying for IQ energy grant you confirm to have read this Terms and Conditions, accept them in full, and declare yourself legally bound to them.

2. IQ energy Borrowers

An individual who has access to a dwelling in Ukraine and wants to commence a project aimed at improvement of its energy efficiency can be a borrower under IQ energy facility.

There is no age, gender, race, religion, occupancy or other similar restriction of IQ energy loan applicants.

The ultimate decision on IQ energy loan is made by commercial banks (Participating Financial Institutions) – see section '4. IQ energy Loans'.

IQ energy loans are not available for persons who are included on EBRD's list of persons, ineligible for EBRD funding, as such list may be found on the EBRD website.

3. IQ energy Projects

IQ energy supports projects aimed to improve energy performance of residential dwellings – apartments in multi-family buildings and single family houses.

IQ energy does not support any project which is being supported by any other grant facility, including State Energy Efficiency Program (aka State Targeted Economic Program for Energy Efficiency and Promotion of Energy Production from Renewable and Alternative Sources).

3.1. Eligible Projects

Only projects which meet all criteria below are supported by IQ energy:

- The project is implemented using only materials and equipment included in Technology Catalogue (LEME list). This catalogue is prepared and regularly updated by IQ energy support team. The catalogue is available online at the following hyperlink <http://www.iqenergy.org.ua/technologies>. IQ energy borrowers have to select materials and / or equipment for their project(s) in the catalogue and document the selection by generating the Eligibility Certificate. This Certificate is stored electronically and is mandatory for soliciting IQ energy grant. This certificate can also be reproduced at a later stage by its unique certificate ID, if needed;
- The project is implemented and in full compliance with all applicable national energy efficiency, environmental, social, fire safety, and health legislation of Ukraine. IQ energy minimum energy performance criteria, which is available by the link <http://www.iqenergy.org.ua/minimum-energy-performance-criteria/>, ensured. All required approvals from all related authorities have been solicited or received. The term "implemented" means that the materials and constructions are installed, equipment – properly connected.

3.2. Ineligible Projects

The following projects are explicitly precluded from receiving a grant under IQ energy programme:

- Projects prohibited by building norms and rules such as thermal insulation of outside walls in single apartment in multi-family buildings; installation of biomass boilers in dwellings with no adequate chimneys, etc.;
- Projects completed before drawing a loan, i.e. before the date of first purchase (for credit cards) or before the date of loan (for other loans);
- Projects in non-residential dwellings;
- Purchase and installation of constructions, materials and equipment not included in Technology Catalogue as of the date of submission of Verification Request Form; and
- Installation of boilers resulting in disconnection from the district heating network.

3.3. Project Categories

There are following categories of IQ energy projects:

Category Number	Category Name	Available for Dwellings	
		Apartments	Single Family Houses
Category 1.	Energy Efficient Windows	Yes*	Yes*
Category 2.	Heat Supply Systems	Yes	Yes
Category 3.	Solar Thermal Systems	Yes	Yes
Category 4a.	High Efficiency Gas Boilers	Yes**	Yes
Category 4b.	Biomass Boilers	No	Yes
Category 5a.	Thermal Insulation of Ground Floor	Yes***	Yes
Category 5b.	Thermal Insulation of Outside Walls	No	Yes
Category 5c.	Thermal Insulation of Ceilings	No	Yes
Category 6.	Heat Pumps	Yes****	Yes
Category 7.	Front Doors	No	Yes
Category 8.	Heat Meters	Yes	Yes
Category 9.	Heat Recovery Units	Yes	Yes

* Only for replacement projects covering heated areas (replacement of existing glazing with a new energy efficient equipment) for loans drafted after August 01, 2018

** This measure is only available for apartments with chimneys and which are not connected to district heating

*** Only for the apartments on the first floor of multifamily buildings

**** Only 'air to water' heat pumps in apartments which are not connected to district heating

This is the exclusive list of project categories supported by IQ energy. No other category is eligible for an IQ energy project.

3.4. Project Cost and Type of Payment Limitations

For each category of materials and equipment there is a cost limitation set forth. For grant calculation purposes the project will be considered in actual costs not exceeding these limitations. Limitations include both cost of a unit of material or equipment and any associated installation cost or cost of additionally required materials.

The following cost limitations apply per Technology Catalogue category:

Category Number	Category Name	Maximum Acceptable Cost (including installation)
Category 1.	Energy Efficient Windows	EUR 180 per square meter
Category 2.	Heat Supply Systems	EUR 3'360 per dwelling
Category 3.	Solar Thermal Systems	EUR 3'000 per dwelling
Category 4a.	High Efficiency Gas Boilers	EUR 3'000 per unit
Category 4b.	Biomass Boilers	EUR 3'000 per unit
Category 5a.	Thermal Insulation of Ground Floor	EUR 48 per square meter
Category 5b.	Thermal Insulation of Outside Walls	EUR 50 per square meter
Category 5c.	Thermal Insulation of Ceilings	EUR 48 per square meter
Category 6.	Heat Pumps	EUR 10'000 per unit
Category 7.	Front doors	EUR 500 per unit
Category 8.	Heat meters	EUR 400 per unit
Category 9.	Heat Recovery Units	EUR 3'000 per dwelling

There are also limitations applied to type of payment and evidencing documents, as follows:

- Core equipment must be purchased in compliance with Ukrainian laws regarding cash payments limit which is currently set to UAH 50'000 max. Any payment in excess of this limit shall be cashless, including payment using payment cards;
- Purchasing an equipment subject to warranty repairmen or service shall be evidenced by fiscal receipt as set forth in CoM Resolution #231 dated March 16, 2017; and
- Payment for the eligible equipment/constructions from the Technology Selector of the Programme, which is not subject to the mentioned CoM Resolution #231, is allowed only in non-cash form. Non-core (additional) equipment can be purchased for cash and evidenced solely by a goods receipt (without any payment-evidencing documents) but only up to 20% of maximum eligible project cost which is estimated based on maximum acceptable cost for project component categories and project physical dimensions (such as windows, walls, roof, floor, number of boilers, etc)..

3.5. Proofs of Project Completion

Completion of each project has to be supported with appropriate documented evidences. Projects where evidences are not adequate cannot be claimed IQ energy projects.

All proofs of project completion shall comply with requirements set for in [IQ Energy Projects Documentation Requirements](#).

It is the responsibility of borrower to become acquainted with the above Guidelines before project start, and to collect all technical and financial proofs during and after the project, as requested. Failure to do so leads to refusal of IQ energy grant.

4. IQ energy Loans

4.1. Loan Originators

IQ energy loans are granted (originated) by commercial banks – Participating Financial Institutions (PFIs). The following is the exclusive list of PFIs:

- JSC “Raiffeisen Bank Aval” (NBU License #10, dated October 05, 2011) – from February 06, 2017 till September 10, 2020 inclusively;
- JSC "OTP Bank" (NBU License #191, dated October 05, 2011) – from April 07, 2016 till September 30, 2018 inclusively;
- JSC UkrSibBank (NBU License #75, dated October 05, 2011) – from April 07, 2016 till September 10, 2020 inclusively; and
- PJSC “Credit Agricole Bank” (NBU License #99, dated October 12, 2011) – from November 30, 2017 till August 14, 2018 inclusively.

Loans granted by other banks are not qualified to be IQ energy loans.

IQ energy loans can be originated by any branch of the above-listed bank, including by Point-of-Sale (POS) agents or via credit cards

4.2. Types of Loan

IQ energy borrowers can draw loans within credit card limits (card loan) or by entering into a special loan agreement (other type loan). Each participating bank individually decides what types of loan participate in IQ energy Programme. We strongly advise the borrowers before taking a loan to contact the bank and consult whether this loan product is subject to IQ energy Programme. Depending on the type of loan the documentation requirements vary in respect to financial proofs, however the requirements as for technical proofs are absolutely identical. In addition, type of loan drives how we treat the date of the loan (see Section 3.5 “Loan Period and Date”).

IQ energy Programme does not make any preferences to any type of loan. If a participating bank offers both types of loan simultaneously it is up to the borrower to make a choice.

4.3. Loan Purpose

Only loans taken (or used, for card loans) with the exclusive purpose to finance purchase and correct installation of highly energy efficient materials and equipment included into Technology Catalogue – i.e. IQ energy projects – can be considered IQ energy loans.

If under a single loan agreement, the borrower decides to use part of loan proceeds for other purposes, any such part should not be considered IQ energy loan. In case of a card loan the borrower has to purchase materials and equipment using only loan money. It is not allowed to use any borrower’s own money which might be available from the card account. Any purchase with borrower’s own savings as it can be reasonably understood from the credit card statement shall be excluded from the calculation of the loan amount. In case a borrower withdraws credit funds from a credit card as cash and later pays

for eligible products in cash the time between cash withdrawal and payment shall not exceed three business days and the cash payment shall be in compliance with Section “3.4. Project Cost and Type of Payment Limitations” re maximum allowable cash payment and proportion of cash payment in the maximum eligible cost of the project.

If based on verification it will be revealed that the project, although using proper materials, has not been done in compliance with construction norms any loan proceeds supported by this project would be exempt from IQ energy loan.

The loan purpose cannot be to refinance any outstanding loan or similar type of debt irrespectively whether or not it was taken to support energy efficiency projects.

4.4. Loan Currency

All IQ energy loans are made in Ukrainian national currency hryvnia (UAH). Loans in other currencies, including euro, are not eligible under IQ energy.

4.5. Loan Period and Date

Only loans made to borrowers from April 07, 2016 to September 10, 2020 inclusively (restrictions set forth in Section “4.1. Loan Originators” apply) can be deemed as IQ energy loans. Any loans made by participating banks outside this periods stipulated in Section “4.1. Loan Originators” cannot qualify as IQ energy Programme loans even though then meet all qualifications set forth in this terms and conditions.

The date of loan for IQ energy purposes is:

- For cards loans – the date of purchase of first set of materials and equipment complying with programme’s criteria (date of first purchase); and
- For other type loans – the date of signing loan agreement with participating bank.

4.6. Interest Rate and Associated Fees

PFI price IQ energy loans, including applicable interest rate and any associated fees, according to their internal practice.

4.7. Loan Maturity and Amortisation

IQ energy programme does not establish limitation on loan maturity. PFIs establish loan maturity per their internal procedures. Any deviation from contractual loan amortisation – early repayment and delinquency – is subject to resolution between the borrower and the lending PFI.

PFIs are free to establish in loan agreements any amortisation schedule, including standard and annuity.

4.8. Loan Risk Mitigation

PFIs are free to seek any credit risk mitigation under IQ energy loans, including but not limited by, requesting borrowers to provide collateral, guarantee, or any other similar comfort for loan recovery.

5. IQ energy Grants

5.1. Grant Purpose

IQ energy borrowers are entitled to receive IQ energy grants as the reward for successful implementation of energy efficiency project if compliant with grant rules.

Borrowers can use grant received for any purpose per their sole discretion.

5.2. Grant Base

The base for IQ energy grant is the smaller of two amounts:

- The EUR equivalent of loan amount used to support IQ energy project, or
- The EUR equivalent of cost of investments into IQ energy project.

For currency translation purposes from UAH to EUR the same exchange rate is used in both above amounts:

- For card loans – the official exchange rate of NBU as of the date of borrower purchasing the first set of materials and equipment eligible under the programme; or
- For other type loans – the official exchange rate of NBU as of the date of loan agreement being signed between the borrower and the commercial bank.

Grant base has to be proven by the borrower in the process of grant application and verified by IQ energy team in the course of grant verification process.

5.3. Grant Percentages

There are three grant percentages used in IQ energy facility depending on the loan date as defined in section “4.5. Loan Period and Date”.

5.3.1. Grant Percentages before July 11, 2017

For loans originated between April 07, 2016 and July 11, 2017 inclusively 15% and 20% rates are used as follows:

- 15% is applied to grant base in case the project in question included only one project category as described in Section ‘3.3. Project Categories’;
- 20% is applied to grant base in case the project in question included more than one project category.

Category 1	Energy Efficient Windows	15%	15%																
Category 2	Heat Supply Systems	15%	20%	15%															
Category 3	Solar Thermal Systems	15%	20%	20%	15%														
Category 4	Biomass Boilers	15%	20%	20%	20%	15%													
	High Efficiency Gas Boilers	15%	20%	20%	20%	15%	15%												
Category 5	Thermal Insulation of Ceilings	15%	20%	20%	20%	20%	20%	15%											
	Thermal Insulation of Outside Walls	15%	20%	20%	20%	20%	20%	15%	15%										
	Thermal Insulation of Ground Floor	15%	20%	20%	20%	20%	20%	15%	15%	15%									
Category 6	Heat Pumps	15%	20%	20%	20%	20%	20%	20%	20%	20%	15%								
Category 7	Front Doors	15%	20%	20%	20%	20%	20%	20%	20%	20%	20%	15%							
Category 8	Heat Meters	15%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	15%						
	No other category																		
	Category 1																		
	Category 2																		
	Category 3																		
	Category 4																		
	Category 5																		
	Category 6																		
	Category 7																		
	Category 8																		

The following considerations also apply:

- Categories 4a and 4b are one category “Boilers”, and categories 5a, 5b, and 5c are one category “Thermal Insulation”. Hence if within one project two boilers have been used – high efficiency

gas boiler and biomass boiler – and no other category has been used, the applicable grant is 15%. Similar, if within one project several types of thermal insulation were done – roof, floor, and outside walls – and no other category has been used, the applicable grant is also 15%;

- One project can be supported only with one IQ energy loan. In case of a complex project being supported by several loans, the borrower has to split the project using a logical approach (e.g. stages of completion or installation) and submit grant requests for each single loan separately;
- One loan can support several projects in several dwellings. In this case the borrower will have to submit grant request for each project in each dwelling;
- One dwelling can be improved by several projects implemented concurrently or one after another. In case these several projects are supported by the same loan granted to the same borrower, it is acceptable to submit either one grant application form for all projects together, or several application forms for each project. In case these several projects are supported by different loans granted to one or several borrowers each borrower would have to submit application forms according to the number of projects / loans involved.

In all the above considerations the grant percentage would depend on the number of project categories involved. The highest percentage of 20% is only applied to projects involving more than one project category in the same dwelling supported by one loan. In all other cases 15% would apply.

5.3.2. Grant Percentages after July 11, 2017

For loans originated between July 11, 2017 and September 10, 2020 inclusively 35% grant rate is used if at least one project category is implemented.

The following considerations also apply:

- One project can be supported only with one IQ energy loan. In case of a complex project being supported by several loans, the borrower has to split the project using a logical approach (e.g. stages of completion or installation) and submit grant requests for each single loan separately;
- One loan can support several projects in several dwellings. In this case the borrower will have to submit grant request for each project in each dwelling;
- One dwelling can be improved by several projects implemented concurrently or one after another. In case these several projects are supported by the same loan granted to the same borrower, it is acceptable to submit either one grant application form for all projects together, or several application forms for each project. In case these several projects are supported by different loans granted to one or several borrowers each borrower would have to submit application forms according to the number of projects / loans involved.

5.4. Grant Limitation

The maximum amount of all grants from all loans a single person is entitled under IQ energy program is EUR 3'000.

This amount can be achieved only if both of the below conditions are met:

- The borrower takes maximum available IQ energy loan amount of UAH equivalent of EUR 15'000 either in one or several loans from any of participating financial institutions;
- The borrower uses the entire loan amount to support IQ energy project;
- The borrower uses more than one project category for each project implemented; and
- In each Category concerned the actual costs do not exceed the maximum available cost of materials and equipment.

5.5. Grant Eligibility Criteria

In order to be eligible to receive IQ energy grant **all** the criteria listed below have to be met:

1. General eligibility criteria:
 - a. The borrower has to meet the criteria set forth in Section '2. IQ energy Borrowers' of this document, in particular in respect to possession or occupation of a dwelling in Ukraine either personally or by close relatives;
 - b. The borrower has to receive a loan from one of the participating financial institutions listed in Section '4.1. Loan Originators' of this document within the period stated in Section '4.5. Loan Period and Date';
 - c. The borrower has to use the loan to support an eligible energy efficiency project in a residential dwelling as described in Section '3.1. Eligible Projects' of this document. While making payments using loan money the borrower has to comply with requirements set forth in Section "3.4. Project Cost and Type of Payment Limitations" ;
 - d. The borrower has not tried to seek a financial support for this project from IQ energy Programme or any other grant program, including the State Energy Efficiency Program;
2. Timing eligibility criteria:
 - a. The borrower has to complete the project in full before submitting the application to receive the grant;
 - b. The grant application has to be submitted within **four months** from the date of the loan as defined in Section '4.5. Loan Period and Date';
3. Additional eligibility criteria:
 - a. As of the date of grant application form submission the borrower has to have an outstanding loan balance on the loan used to support the project under evaluation;
 - b. The borrower has collected and attached to the grant application form all required proofs of successful project completion, as set forth in Section '5.6. Grant Application Process';
 - c. The borrower has not reached the limit of EUR 3'000 grants per person; and
 - d. The information provided by the borrower to requests the grant is correct and free of any deliberate error or fraud.

If a single criterion from the above list is not met the grant will not be approved for payout. In case the missing criterion is the proofs of project completion the borrower will be allowed to re-submit additional documents under to support the original application. In this case the original grant application submission date is used to check timing eligibility criteria of four months and additional eligibility criteria of loan being outstanding. A borrower has to submit the requested documents and proofs within one month from the date the request for additional information is furnished to borrower's registered email. If the borrower fails to provide the requested information in due time the grant application will be rejected automatically. In case of any other missing criteria re-submission of grant application form is not allowed (see Section '6. Complaint Mechanism').

5.6. Grant Application Process

Grant application process is done by borrower. Borrowers can do grant applications by themselves or solicit assistance from their respective banks or third parties, at their own discretion and risk.

In order to receive IQ energy grant the borrower has to explicitly apply for it. Applications can be submitted only in electronic form through web-based Grant Management System designed to support the application process.

The application process includes two stages, as follows:

Stage 1: Registration in IQ energy Grant Administration System:

- a. Borrower visits <https://www.igenergy24.com/> ;
- b. Borrower provides explicit consent about use of personal data, as requested by Ukrainian laws;
- c. Borrower completes the template by providing information about herself / himself (name and contact details) and information about the loan (bank name, type of loan, date of origination or first purchase, etc);
- d. Borrower confirms s/he has read these Terms and Conditions; and
- e. Borrower awaits invitation from Grant Administration System to proceed with Stage 2. Only those borrowers who meet general eligibility criteria will be invited.

Stage 2. Completion and submission of Verification Request Form:

- f. Borrower receives secure invitation link and follows it to access Verification Request Form template;
- g. Borrower completes the template by providing additional information about herself / himself (bank account for grant disbursement), dwelling location and details, and project categories implemented. At this stage borrower is also requested to provide necessary proofs of project completion, as guided by Section 'There are also limitations applied to type of payment and evidencing documents, as follows:
 - Core equipment must be purchased in compliance with Ukrainian laws regarding cash payments limit which is currently set to UAH 50'000 max. Any payment in excess of this limit shall be cashless, including payment using payment cards;
 - Purchasing an equipment subject to warranty repairmen or service shall be evidenced by fiscal receipt as set forth in CoM Resolution #231 dated March 16, 2017; and
 - Payment for the eligible equipment/constructions from the Technology Selector of the Programme, which is not subject to the mentioned CoM Resolution #231, is allowed only in non-cash form. Non-core (additional) equipment can be purchased for cash and evidenced solely by a goods receipt (without any payment-evidencing documents) but only up to 20% of maximum eligible project cost which is estimated based on maximum acceptable cost for project component categories and project physical dimensions (such as windows, walls, roof, floor, number of boilers, etc)..
- h. 3.5. Proofs of Project Completion' of this document;
- i. Borrower confirms the acceptance of this Terms and Conditions and provides additional declarations to attest eligibility criteria; and
- j. Borrower submits Verification Request Form. Submission of Verification Request Form is treated as grant application for the purpose of IQ energy grant.

Stage 1 has to be completed in one session without any interruption. Stage 2 can be completed in several sessions. For this purpose the borrower can save uncompleted template and retrieve it later.

5.7. Grant Verification Process

Grant verification process is done by IQ energy team upon arrival of completed Verification Request Form. It is done for every Verification Request Form arriving from borrowers without any exception.

The purpose of verification process is to attest the information provided by the borrower in Verification Request Form is correct and all grant eligibility criteria set forth in Section '5.5. Grant Eligibility Criteria' are met. Successful grant verification is necessary precondition for grant calculation and payout.

There are two types of verifications done in IQ energy:

- On-site – the verification team does physical check of information provided in Verification Request Form by visiting the dwelling where the borrower declared the project has been completed. For this purpose verification team contacts the borrower or designated person, makes an appointment for the visit, visits the dwelling, performs necessary measurements and tests, studies original documents, and produces Verification Report. Onsite verification has to be complete in 30 calendar days from arrival of Verification Request; and
- Desk-based – the verification team produces Verification Report using the supporting proofs provided by the borrower without paying a visit to the site of dwelling. It should be done within 10 bussines days from arrival of Verification Request.

Each Verification Request Form arrived is subject to random selection for onsite or desk-based verification.

In case during the verification process the verification team finds incomplete package or reveals discrepancies or inconsistencies in proofs provided the borrower is invited to correct them as set forth in Section '5.5. Grant Eligibility Criteria'. A request for additional information will be sent to borrower. The verification group exercises judgment to define the scope and the list of additional information on case-by-case basis. The borrower has to provide the requested information in one package and within the time eligibility limit. The request for additional information can be sent only once for each application.

Verification Reports are internal IQ energy documents and not made available for borrower. Borrower is not required to approve or in any other form express her or his 'no objection' to Verification Report.

Verification process culminates in grant approval or rejection decision, as follows:

- Grant is approved if all grant eligibility criteria set forth in Section '5.5. Grant Eligibility Criteria' of this document have been met by the borrower; and
- Grant is rejected if any grant eligibility criteria set forth in Section '5.5. Grant Eligibility Criteria' is not met, including if the borrower has failed to re-submit the proofs.

For rejected grants calculation and payout processes are not triggered, and the borrower is notified about grant rejection (see also Section '6. Complaint Mechanism' of this document).

The following is the non-exclusive list of situations leading to grant rejection, in addition to non-compliance with eligibility criteria:

- The borrower has provided untrue information, including false declarations and representations;
- The borrower is not able to provide proper evidences of successful completion of project at the declared dwelling;
- The borrower during or as the result of the project has violated building norms and / or safety rules;

- The dwelling where the borrower implemented the project has been disconnected from the central heating system as the result of the project without proper authorizations as might be required by the laws;
- The dwelling where the borrower implements the project does not (for dwellings under construction will not upon construction completion) belong to residential type or is used (for dwellings under construction will be used upon construction completion) for commercial purposes;
- The project has been implemented before the loan was drawn, i.e. before the date of first purchase (for credit card loans) or before the date of loan (for other loans);
- The borrower has not requested all necessary consents, approvals, or permissions to implement the project or the request has been rejected by respective authority;
- The borrower has used the loan to refinance another debt; and
- The borrower has not granted the verification team the access to the dwelling in case her / his request has been selected for on-site verification.

5.8. Grant Calculation Process

Grant calculation process is done by IQ energy team. It is done only for approved grant.

The purpose of grant calculation is to estimate the monetary amount of approved grant by applying grant percentage (see Section '5.3. Grant Percentages' of this document) to grant base (see Section '5.2. Grant Base' of this document) and ensuring this amount is within the grant limit (see Section '5.4. Grant Limitation' of this document).

Grant percentage is selected by IQ energy team based on date of loan (see section "4.5. Loan Period and Date" and section "5.3. Grant Percentages").

Grant base is established by IQ energy team based on verified amount of loan to support the project and real investment cost of the project.

Limitation of maximum amount of grant is checked by IQ energy team by combining information of all IQ energy grants approved and paid to this borrower over the history of the Facility.

The result of grant calculation process is the EUR equivalent of grant to be paid to the borrower for successful completion of energy efficiency project.

In case the borrower does not agree with the amount calculated by IQ energy team s/he can raise – see Section '6. Complaint Mechanism' of this document. In this case the grant is not made available for payout until appeal is settled.

5.9. Grant Payout Process

Grant payout process is done by commercial banks. Grant payout is triggered only for approved grants (see Section '6. Complaint Mechanism' of this document).

IQ energy grants are paid in EUR to borrower's account at the PFI where IQ energy loan was originated. The borrower is responsible for ensuring an account for grant disbursement.

Grant payouts occur once a month. Grants approved by IQ energy team during previous month will be included into payout. Grants approved by IQ energy team previously and not paid to borrowers would also be included into the payout.

5.10. Applicable Taxes

IQ energy grants are not subject to personal income tax as per Articles 165.1.57 and 165.1.58 of Tax Code of Ukraine.

6. Complaint Mechanism

The EBRD operates a complaint mechanism as part of its commitment to the transparency and accountability of its operations. As such, programme stakeholders shall have a clear path to raise any concerns or disputes.

- Concerns or disputes regarding loan decisions shall be addressed by the relevant bank;
- Disputes regarding Programme's decision re grant (investment incentive), including eligibility criteria, shall be addressed by the appeal mechanism; and
- Concerns or disputes regarding a programme activity not related to grant decision that has caused harm or is likely to cause harm, shall be addressed by the programme complaint mechanism.

6.1. Appeal Mechanism

Those IQ energy Programme borrowers who do not agree with the grant decision can dispute it by submitting an appeal.

The following is the exclusive list of decisions which can be subject to appeals:

- Eligibility of technology and equipment used for the project;
- Period of grant application submission (shall be no later than four month from the date of first purchase for credit card loans or date of loan for other loans);
- Presence of outstanding loan as of the date of grant application submission;
- Confirmation of project costs, including cost of installation.

Borrowers can submit their appeal to the grant decision within 90 days from the day they receive grant decision notification from the Grant Management System. Appeals arrived outside on this period will not be considered and the original decision of IQ energy Programme shall remain in force. A borrower can submit one appeal per one grant application.

Appeals are submitted as emails to 'manager@iqenergy.org.ua'. It is mandatory to copy in the appeal the grant decision notification from Grant Management System with details of grant estimation or rejection. In the body of the appeal text the borrowers are required to provide their specific arguments against programme's decision and, if possible, support them with evidences (photos, scans of documents, etc).

Appeals are resolved within 60 working days. Once appeal is resolved IQ energy Programme notifies the borrower about altered grant decision or that original decision remains in force. In case if upon appeal resolution the borrower is entitled to receive additional incentive it will be paid according to general grant payout procedure explained in Section "5.9. Grant Payout Process".

6.2. Programme Complaint Mechanism

The programme complaint mechanism encompasses all components of IQ energy Programme except for loan and grant decisions.

The programme complaint mechanism is based on two levels:

In the first instance, file a written complaint to the programme office.

- Provide your name and contact information;
- Provide the name or a description of the project or activity that you are complaining about;
- Describe the concern or dispute;
- Describe the efforts you made to resolve the situation and provide copies of correspondence and supporting documentation; or explain why you could not make such efforts;
- If possible, specify which procedures you think have not been followed and how you would like the problem to be resolved.

Submit your email complaint in Ukrainian, Russian or English to 'manager@iqenergy.org.ua' or written complaint to:

IQ energy Programme Manager
01021 Kyiv Ukraine
Grushevskogo str. 28/2 PO box 4

If a resolution cannot be achieved by the programme office, within 30 days of issuing the outcome notification, the complaint will be escalated to the European Bank for Reconstruction and Development (EBRD) by the programme office.

The EBRD will consider the complaint and will inform you of the decision in writing.

7. Confidentiality

All information received by IQ energy team from commercial banks – participating financial institutions and from individual borrowers will be treated with all necessary caution to ensure confidential storage and processing not to allow unauthorized access to personal, financial, and other sensitive data.