

Oschadbank and Western NIS Enterprise Fund jointly grant another social loan in Luhansk region

Enterprises and individual entrepreneurs that prove social focus of their activities can get loans at a rate of 5% to 10% per annum under the "Social Entrepreneurship" program.

The Lysychansk "Ekotekh" company, a producer and supplier of technical gases and solid fuel boilers for heating private households, industrial facilities and institutions, meets those social criteria. Under the agreement with Severodonetsk City Council of Luhansk Oblast, the company has at its own expense made solid fuel boilers for two schools in Severodonetsk, which individually provide the necessary temperature conditions by contrast with the centralized heat supply. The school boiler-rooms now use environmentally safe fuel and the heating cost is 30% lower comparing with the competitors. It provides a solid benefit to those city residents, whose children can study in comfort, as well as to local authorities, since the transition of two schools to the individual heating saves 720,000 UAH to the city annual budget.

The funds from Oschadbank provided with financial support of the Western NIS Enterprise Fund will allow further transfer of social facilities to individual heating with alternative, environmentally safe fuels. Ecotekh plans to build boiler-houses for three educational facilities in Severodonetsk. This project gives a chance to create 40 jobs, especially for socially disadvantaged people. On top of it, the company plans to build its own rehab center for clinical rehabilitation of the company employees, where 10% of the patient capacity will be allocated for the disabled.

‘A social effect drawn from the affordable loan is the criterion that applications of WNISEF Impact Investing Program are most expected to meet. Ekotekh LLC offered a business plan with a triple social effect: new jobs for internally displaced persons, solving the heating problem of social facilities with ensuring energy efficiency and energy independence, and the further completion of the rehab center at its own earned resources’, commented **Vasyl Nazaruk, the Impact Investing Program Manager of Western NIS Enterprise Fund.**

Oschadbank social loans are granted to those small enterprises and individual entrepreneurs who ensure the implementation of social projects and initiatives or solve some social problems of the disadvantaged groups as a part of their activities. Preference is given to projects that support primarily the citizens of Ukraine who suffered from the conflict in the East, including IDPs from southern and eastern regions, people with disabilities, low-income women and members of other disadvantaged social groups. See the detailed loan program terms at <http://wnisef.org/en/impact-investing/>.

As part of the program, Oschadbank provided social loans to enterprises in Donetsk, Dnipropetrovsk, Luhansk and Cherkasy regions. In October, Oschadbank granted the first social loan to an individual entrepreneur.

Oschadbank is a leading Ukrainian bank with the most extensive network of branches. The Bank operates in all financial sectors. Among its clients are small and medium businesses as well as major Ukrainian companies. Oschadbank was the first state bank to start implementing the Development Strategy. In September 2017 Oschadbank launched a nationwide comprehensive program of small businesses support "Build Your Own". The main objective of the program is to support entrepreneurs at various stages of business development.

Western NIS Enterprise Fund (WNISEF) is a \$150 million regional fund, a pioneer in Ukraine and Moldova with more than two decades of successful experience in investing in small and medium-sized companies. WNISEF was funded by the U.S. government via the U.S. Agency for International Development (USAID). Since its inception, WNISEF's cumulative investments total over \$168 million to 118 companies employing around 25 000 people and made it possible to unlock \$1.5 billion for companies in Ukraine and Moldova. In 2015 WNISEF has launched a \$35 million legacy program focused on export promotion, local economic development, impact investing and economic leadership. WNISEF is funding innovative, high-impact, reform focused programs and aims to support Ukraine and Moldova at this critical period by developing sound economic policy and leadership. Visit www.wnisef.org