Early Warning System

EIB-20240819

UKRAINE DISTRICT HEATING OSCHADBANK

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Quick Facts

Countries	Ukraine
Financial Institutions	European Investment Bank (EIB)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-07-10
Borrower	STATE SAVINGS BANK OF UKRAINE JSC (Oschadbank)
Sectors	Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 93.61 million

Project Description

According to the Bank’s website, the project consists of financing district heating and energy efficiency investments through Oschadbank.

The sub-operation will support investments that address major needs in recovery of critical energy infrastructure in Ukraine in affected areas, helping to meet basic needs to ensure decent living conditions. The focus on rehabilitation, reconstruction and securing of energy supply, improving energy efficiency of restored or associated infrastructure and improved district heating infrastructure will generate positive externalities and mitigate existing negative externalities. These externalities include the benefits of avoiding damage to public health and fewer disruptions of economic activities.

The Ukraine District Hearting Oschadbank aims at financing projects carried out by local authorities, to allow fast restoration and protection of the heat generation capacity destroyed or out of order to ensure the supply of critical services for next winters and improving the energy security of Ukraine. The loan will allow the deployment of:
a. small-scale gas fired combined heat and power plants, solar photovoltaics (PV), complemented by batteries and other storage technologies which are crucial to increase the resilience of Ukraine energy supply;
b. decentralised heat generation;
c. components that will bolster the physical and cyber security of the infrastructure;
d. heat pumps, heat storage systems and related networks as well as renewable heat generation;
e. energy efficiency in public buildings, which would also be eligible under the facility.

The eligibility for financing aligns with the Ukraine Energy Rescue Plan, an emergency measure designed to address Ukraine's critical energy needs and support the resilience and recovery of its energy infrastructure.

Early Warning System Project Analysis

Due to the type of projects, such as district heating generation and distribution, energy efficiency, the expected small size of the investments, the location mostly in urban areas, the sub-operation is not likely to have significant impact on environment.

Investment Description

- European Investment Bank (EIB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- JSC Oschadbank (Financial Intermediary)

Private Actors Description

JSC Oschadbank (State Savings Bank of Ukraine) is a 100 per cent state-owned bank, ranking the second largest by assets (13% market share) and deposits (13% market share) as of YE2020 out of 74 banks. With around 1,800 branches and over 27,000 employees, it provides services to over 3,000 corporate, almost 200,000 MSME and 7 million retail customers.

Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.eib.org/en/infocentre/registers/request-form/request-form-default.htm

ACCOUNTABILITY MECHANISM OF EIB

The EIB Complaints Mechanism is designed to facilitate and handle complaints against the EIB by individuals, organizations or corporations affected by EIB activities. When exercising the right to lodge a complaint against the EIB, any member of the public has access to a two-tier procedure, one internal - the Complaints Mechanism Office - and one external - the European Ombudsman. A complaint can be lodged via a written communication addressed to the Secretary General of the EIB, via email to the dedicated email address: complaints@eib.org, by completing the online complaint form available at the following address: http://www.eib.org/complaints/form via fax or delivered directly to the EIB Complaints Mechanism Division, any EIB local representation office or any EIB staff. For further details, check: http://www.eib.org/attachments/strategies/complaints_mechanism_policy_en.pdf

When dissatisfied with a complaint to the EIB Complaints Mechanism, citizens can then turn towards the European Ombudsman. A memorandum of Understanding has been signed between the EIB and the European Ombudsman establishes that citizens (even outside of the EU if the Ombudsman finds their complaint justified) can turn towards the Ombudsman on issues related to 'maladministration' by the EIB. Note that before going to the Ombudsman, an attempt must be made to resolve the case by contacting the EIB. In addition, the complaint must be made within two years of the date when the facts on which your complaint is based became known to you. You can write to the Ombudsman in any of the languages of the European Union. Additional details, including filing requirements and complaint forms, are available at: http://www.ombudsman.europa.eu/atyourservice/interactiveguide.faces

Bank Documents

- Environmental and Social Data Sheet (ESDS) - UKRAINE DISTRICT HEATING OSCHADBANK

Other Related Projects

- EIB-20240526 UKRAINE DISTRICT HEATING