



Financing environmentally sustainable solutions in the Barents region

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NEFCO in a nutshell

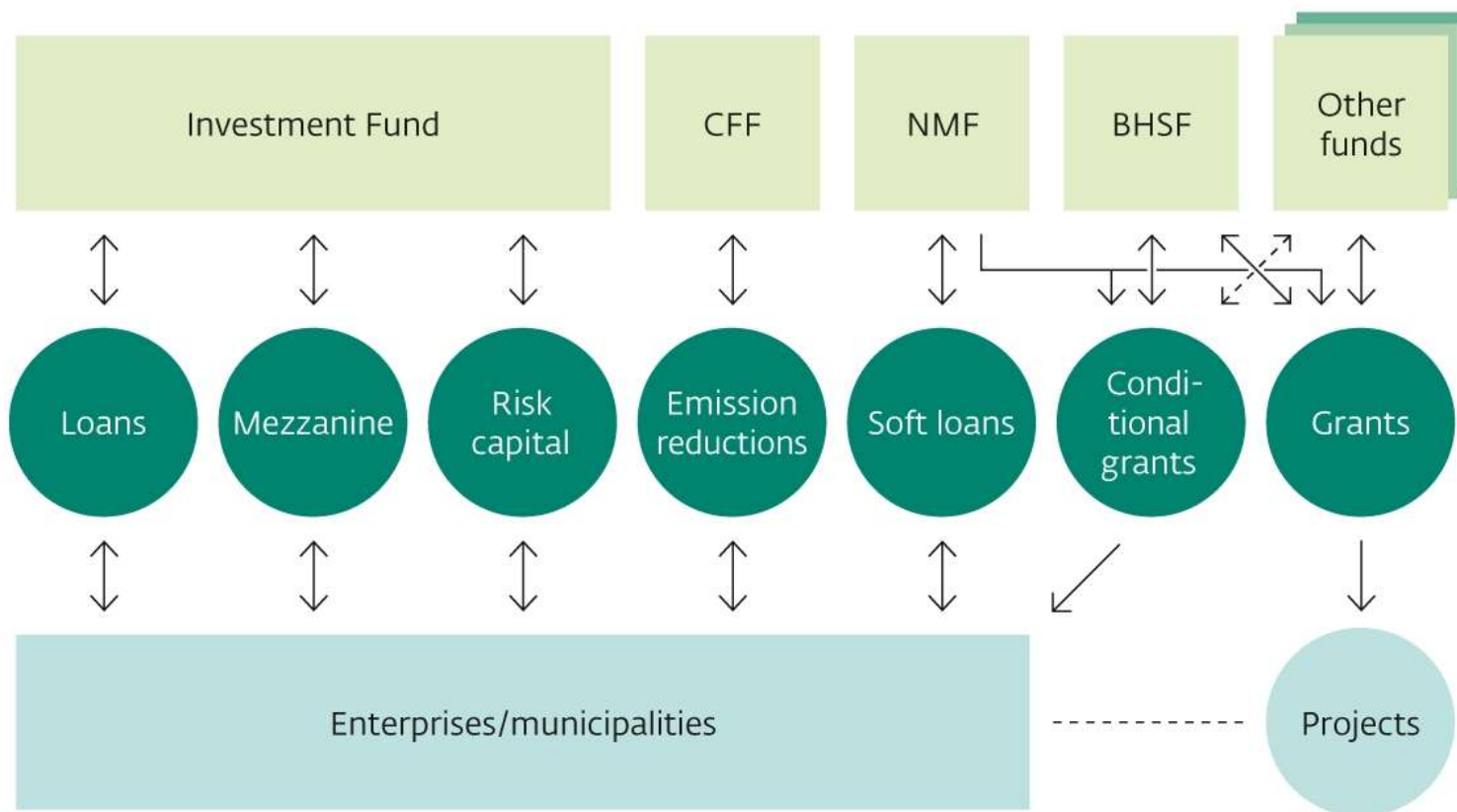
- International financial institution established in 1990 by the Nordic countries
- Loans and capital investments for environmental projects of interest to the Nordic countries
- Funds to a total value of EUR 440 million
- Geographical focus: (NW) Russia, Ukraine, Belarus, Estonia, Latvia and Lithuania
- Environmental priorities: climate issues, eutrophication and mitigation of toxic discharges
- Headquartered in Helsinki with 27 employees
- Locally contracted consultants in Russia and Ukraine

● Geographic mandate

Helsinki



NEFCO's funding resources



NEFCO in the Arctic & Barents

- Observer in the Arctic Council and the Barents Euro-Arctic Council
- Active participant in environmental and energy sub-groups (WGE, SHE; ACAP etc.)
- Manager of dedicated regional funds (BHSF, BW, PSI etc.)
- Other Nordic and international connections (NDEP, NPA-Arctic/Arctic Agenda 2020 etc.)

● Geographic mandate



Barents Hot Spots Facility

- BHSF - a fund established by Nordic governments and administered by NEFCO
- Contributing to the final exclusion of the 42 Barents environmental "hot spots" in focus
- Provides funding for feasibility studies, project plans etc. – to date 66 specific allocations approved
- Mainly industrial, energy, wastewater and waste management projects in focus + support to the "hot spot" exclusion process
- *Complemented by **Barents Window**, a fund administered by NEFCO for Sweden, in support of an "Eco-efficient Economy in the Barents Region"*

Selected BHSF Projects at "Hot Spots"

- Web-based information system on "hot spots"
 - Study on "hot spots" and cleaner production
 - Sector studies on paper & pulp, mining & metallurgical, CHP etc.
 - Kolguev Island – integrated energy and environment (Nenets AO – co-funded with Norway)
 - Municipal solid waste in Petrozavodsk , incl. methan (Karelia)
 - Conversion of boilers to biomass, several projects (Karelia)
 - Waste management in regions, incl. strategy for Komi
 - Clean –up at Franz Josef Land – first phase
 - Mapping and demonstration projects for oil polluted sites (Archangelsk Oblast)
 - Murmansk Vodokanal – completion of wastewater treatment plant
 - Study on oil spill response management (Murmansk Oblast)
- > All-in-all: 66 BHSF-funded environmental projects and initiatives in the Russian Barents Region

Example 1, Franz Josef Land

- A "hot spot" defined by AC, BEAC and the Russian Federation
- Removal of hazardous chemicals and oil waste
- NEFCO co-financed the initial phase - a survey and GIS-database, which mapped out the polluted areas
- The Russian government will spend RUB 740 million on the clean-up of the area



Example 2, Wastewater treatment in Murmansk

- NEFCO has in total financed some 25 wastewater projects
- The Murmansk Northern Wastewater Treatment Plant, which was opened in 2005, was co-financed by NEFCO
- Feasibility study for Murmansk-vodokanal funded by BHSF in 2006
- In 2010 NEFCO approved a loan with NDEP support for upgrading the wastewater treatment in Murmansk and connecting the Northern WWTP to the central sewerage area



Arctic Council

- A1: The multilateral co-operation project on **phase-out of PCB** including destruction in the RF.
- A2: **Dioxins and Furans** in RF: Implementation of technologies for reduction/elimination.
- A3: Reduction of **Atmospheric Mercury** releases from Arctic States (e.g. energy, smelters).
- A4: Environmentally sound management and destruction of **obsolete pesticides** in RF.
- A5: Outreach and Implementation of the **Cleaner Production** in the Arctic Zone of the RF.
- A6: Reduction or Elimination of Sources and Releases of **Brominated Flame Retardants**.
- A7: Remediation of **contaminated area** of high priority by the Russian authorities .
- A8: Programme under the **Hazardous Waste Management** Strategy with a focus on NW RF.
- A9: Projects on short-lived climate forcers (SLCF) including **black carbon** reductions in the Arctic.
- A10: Projects for reduction of exposure and impact of **contaminants on Indigenous communities**.
- A11: Cooperation on **Barents Euro-Arctic Council** and NEFCO to address "hot spots" in the Arctic.
- A12: Cooperation to implementation of AC projects via **Project Support Instrument** (PSI).
- A13: Addressing contamination arising from the **oil, gas, mining, and shipping sectors** in the Arctic.

Arctic Council Project Support Instrument (PSI)

- Total funds, at about € 13 millions.
- Expected to be operational during 2011.
- More pledges expected due the Russian pledge – USA & al.

1	Finland
2	Iceland
3	Norway
4	Russian Federation
5	Sweden
6	NEFCO
7	Saami Council

Project	Lead IFI	Status
1 St Petersburg SWTP	NIB	completed
2 St P Flood Barrier	EBRD	completed
3 St P Northern Incinerator	EBRD	completed
4 Leningrad Oblast	NIB	close to completion
5 Komi Syktyvkar	EBRD	close to completion
6 Archangelsk W&WWT	EBRD	implementation
7 Vologda W&WWT	EBRD	implementation
8 Kaliningrad NDF	EBRD	grant disbursing
9 Kaliningrad W&WWT	EBRD	implementation
10 Kaliningrad DH	EBRD	grant signed - tendering
11 Neva Programme	NIB	grant signed - tendering
12 Novgorod W%WWT	NIB	implementation
13 Sosnovy Bor	NEFCO	grant signed - tendering
14 St P 10 Suburban WWTP	NEFCO	grant signed
15 PIU for Poultry Farms	NEFCO	Implementation
16 Petrozavodsk W&WWT	NEFCO	grant approved
17 Petrozavodsk Solid Waste	NEFCO	grant approved
18 Murmansk W&WWT	EBRD	grant approved
19-21 Belarus; Brest, Grodno, Vitebsk	NIB & EBRD	approved
22 Vologda DH	EBRD	approval in process
23 Novgorod DH	EBRD	approval in process
24 Viborg WW	NEFCO	approval in process
25 Gatchina WW	NEFCO	approval in process
26 Tikhvin WW	NEFCO	approval in process
27 Gatchina DH	NEFCO	approval in process

= NEFCO lead IFI
 = NEFCO partner IFI

A photograph of several white wind turbines on a grassy hill overlooking a blue sea under a clear sky.

Thank you for your attention!

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