AB Waste Project (SYKE)
Waste Management in Small Communities in the Arctic and Barents Regions

Financing small-scale green investments in the Arctic and Barents Region: A Solid Waste Sector Perspective

Henrik G Forsström
Senior Adviser, NEFCO

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NEFCO FUNDING of ENVIRONMENTAL CO-OPERATION and PROJECTS

NEFCO is the **Nordic Environment Finance Corporation**:

- NEFCO’s financing is targeted at small and medium-sized projects (SMPs) with demonstration value;
- All of NEFCO’s activities focus on generating positive environmental results;
- NEFCO’s financing is aimed at increasing use of the best Nordic Solutions in terms of experience and practices, and at serving as a forerunner enabling bigger projects and scaling-up possibilities;
- Reduction of pollutants affecting the Baltic Sea has been a priority of NEFCO’s financing activities since the early 90’s;
- As a function of its extensive fund management assignments, similar activities in the Arctic and Barents regions have been added;
- More lately, NEFCO has developed into a financial institution supporting Green Growth and the Climate globally.
**NEFCO in brief**

- International financial institution, established by 5 Nordic countries
- Loans and capital investments for environmental projects in Eastern Europe
- Management of bilateral and multilateral funds pertaining in particular to the Arctic, Barents and climate issues
- Headquarters in Helsinki
- Total value of funds ca 500 million euros

**Коротко о НЕФКО**

- Международная финансовая организация, основанная 5 Северными странами
- Кредиты и инвестиции в акционерный капитал для экологических проектов в Восточной Европе
- Управление двусторонними и многосторонними фондами, в частности, связанными с Арктическими, Баренцевыми и климатическими вопросами
- Головной офис в г. Хельсинки
- Общий объем средств ~500 млн. Евро
NEFCO - globally and in the Arctic/Barents

NEFCO’s current main priorities are to:
• enhance existing activities and initiate new interventions related to green investments and the promotion of green growth
• prevent climate change with a focus on interventions related to renewable energy, energy efficiency and the reduction of short-lived climate pollutants
• continue the successful activities targeting the reduction of pollutants affecting the Baltic Sea and the Arctic and Barents Regions
Финансовые инструменты НЕФКО
NEFCO's funding resources
NEFCO's Financial Mechanisms for "AB" Projects

Arctic Council Project Support Instrument (PSI)
- The PSI focuses on actions against pollution in the Arctic with a total pledge of EUR 16 million including a substantial contribution from Russia.

Barents Hot Spot Facility (BHSF)
- A 7.4 MEUR trust fund managed by NEFCO for key environmental challenges in the Barents regions in NW Russia.

Northern Dimension Environmental Partnership (NDEP)
- The NDEP Support Fund was set up with contributions from many countries, including Russia, with €181.7M million allocated to environmental projects in North-West Russia and Belarus. The fund provides grants to project implementation coupled with credits from IFIs.

Others, including Nordic bi-lateral support and grants
Arctic Council Project Support Instrument (PSI)

**PROJECT SELECTION CRITERIA**

- Project has been approved by the Arctic Council (and has a lead country).
- Project will lead to concrete actions toward pollution prevention, abatement, and elimination with measurable positive effects on the environment of the Arctic.
  - Potential for replication and scale
  - Potential of the recipient to implement the project according to plan
  - Potential of the PSI to leverage other funding
  - Risk Assessment
  - Availability of local approval(s)

- Small Allocations Window (SAW) project(s) for funding from the PSI based on an application from an Arctic Council working group, subsidiary body, lead, PSI Contributor, Fund Manager etc.
CO-OPERATION in the BARENTS

Launched in Kirkenes in 1993, by the member countries establishing the Barents Euro-Arctic Council (BEAC):

- **Finland, Norway, Russia & Sweden** (+ Denmark, Iceland, the European Commission & 9 observer countries)

- Objective: Strengthen peace, stability and sustainable development by improving opportunities for regional co-operation.
CO-OPERATION in the BARENTS

Regional co-operation

- Unique co-operation on both national and regional levels
- 14 regions
- Provides a cross-border platform for exchange of knowledge and experience - people-to-people contacts

5 million inhabitants

(ca 100,000 indigenous)

1.8 million sq km
FUNDING ENVIRONMENTAL CO-OPERATION in the BARENTS

Various **public financial mechanisms** are available to support multilateral **(green)** project co-operation in the Barents Region:

- National and regional budgets of the Barents countries;
- Various EU Programmes (such as Kolarctic CBC);
- The Nordic Council of Ministers (NCM).

**International Financial Institutions (IFIs)** offer financing for investment projects in the region – including NEFCO!

The main financing sources for Barents co-operation projects are listed at: [www.barentscooperation.org/en/Working-Groups/Project-Funding](http://www.barentscooperation.org/en/Working-Groups/Project-Funding)
NEFCO FUNDING of ENVIRONMENTAL CO-OPERATION and PROJECTS in the BARENTS

Targetting the "Hot Spots"

Facilitation of project development at the “hot spots” in the Russian Barents Region that were defined in a report by NEFCO in collaboration with the Arctic Monitoring and Assessment Programme (AMAP) in 2003.

Barents Hot Spots Facility (BHSF)

- An 8 MEUR trust fund managed by NEFCO for the Nordic Governments since 2005 in order to tackle the (originally) 42 environmental “hot spots” and other key environmental challenges in the Russian Barents regions.
- Primarily provision of grants to finance sector studies, pre-feasibility and feasibility studies, business and financing plans, environmental studies etc. May also finance key demonstration/pilot components.
- Ca 80 projects and other initiatives funded to date.

Barents Window (BW)

- A small trust fund to promote priorities of the Swedish Chairmanship of the Barents/WGE.
NEFCO FUNDING of ENVIRONMENTAL CO-OPERATION and PROJECTS in the BARENTS

PECC:

"Programme for Environment and Climate Co-operation"

- Financed by Nordic Council of Ministers (NCM) together with NEFCO (BHSF) to promote environment and climate co-operation projects between non-commercial partners from the Nordic countries and North-West Russia. The total available amount of funding for "PECC-1" is EUR 1.1 million.

- 1 project finalized, 8 under implementation – some of which with biodiversity components (related to forestry, climate and traditional and local knowledge (TLK).

- A second call ("PECC-2") for project proposals may come in early 2019.
Other NEFCO co-operation schemes:

- **Northern Dimension Environmental Partnership (NDEP)**
  - The NDEP Support Fund was set up with contributions from many countries, including Russia, with €181.7M million allocated to environmental projects in North-West Russia and Belarus. The fund provides grants to project implementation coupled with credits from IFIs.
  - In current NEFCO pipeline for NW Russia: Krasny Bor hazardous waste landfill, sludge and solid waste management projects in Russian Karelia, Black Carbon projects in Karelia and Vologda Oblast.

- **Nordic bi-lateral support and grants**
- **Other**