



NEFCO
Projects and activities in Ukraine

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NEFCO – Nordic Environment Finance Corporation


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NEFCO in a nutshell

- Nordic financial institution established 1990 by Denmark, Finland, Sweden, Norway and Iceland.
- Financier of projects with environmental benefits
- Fund Manager for the Nordic countries, USA, Germany, the Netherlands, Russia, EU and GEF
- Total value of the funds administered by NEFCO is currently EUR 550 million
- Countries of operation: Ukraine, Russia, Belarus, Baltic States, Moldova, Georgia and Armenia – head quarter in Helsinki, local offices in Kiev and St Petersburg
- Environmental and climate related projects and market studies outside EU/EES (NOPEF)– world wide.

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Kriterier för NEFCO-finansiering

- Projektet måste implementeras inom ramen för NEFCO:s geografiska mandat
- Projektet måste ge konkret miljönytta i form av mätbara utsläppsreduktioner
- Endast ekonomiskt bärkraftiga projekt
- Tillämpad och testad teknologi
- Miljömässig kostnadseffektivitet och nordiskt intresse

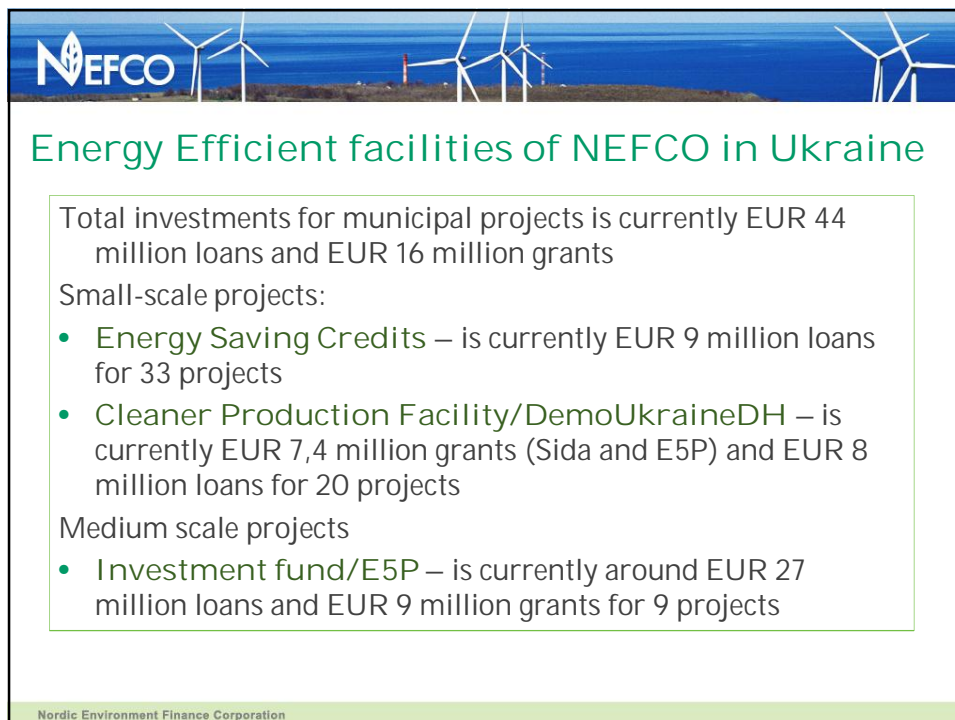
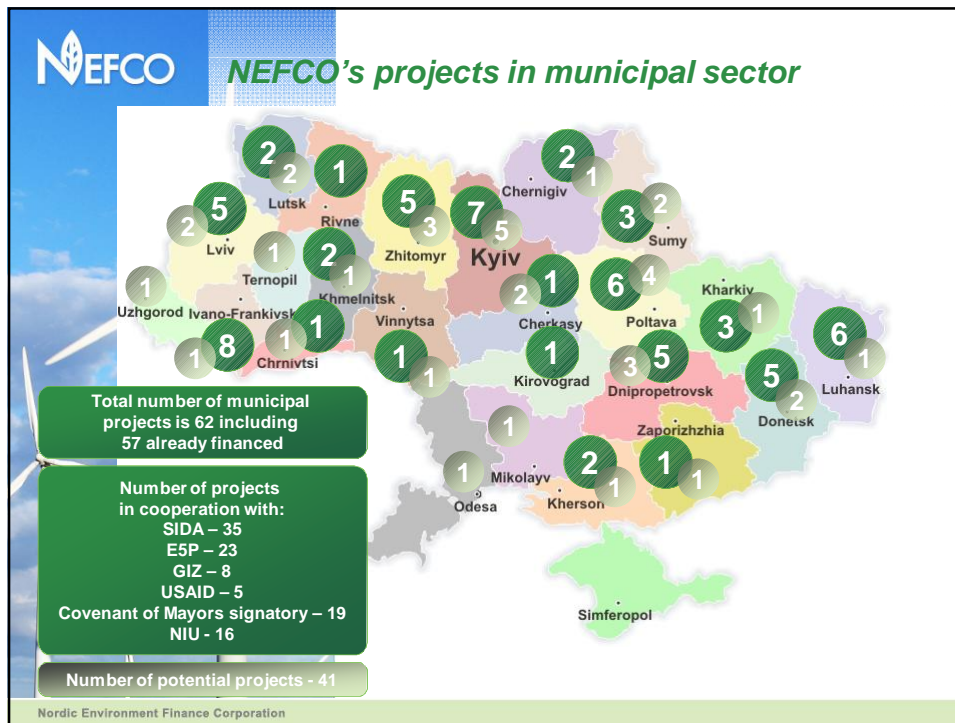
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NEFCO's presence in Ukraine

- NEFCO's project portfolio currently has more than 100 projects in Ukraine
- NEFCO's project portfolio of municipal projects is around 60 projects in Ukraine
- Most important sectors: cleantech, energy efficiency, renewable energy, wastewater treatment, modernisation of industrial facilities
- The framework agreement between NEFCO and the Ukrainian government was signed in 2010
- Municipal guarantees are required as security


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The Facility for Energy Saving Credits

- Demonstration Facility
- Loans in UAH for municipalities in Ukraine
- Investments in energy saving technologies in social facilities such as schools, day care centers, hospitals and street lighting.
- Maximum loan amount: Equivalent of EUR 400 000 in Ukraine. NEFCO can finance up to 90% of project costs.
- Repayment period: up to 5 years.
- Interest rate: Fixed at 3% per annum and tied to the duration of the facility. No commission or other fees.



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Improving energy efficiency of municipal and public sector of the city of Zhytomyr

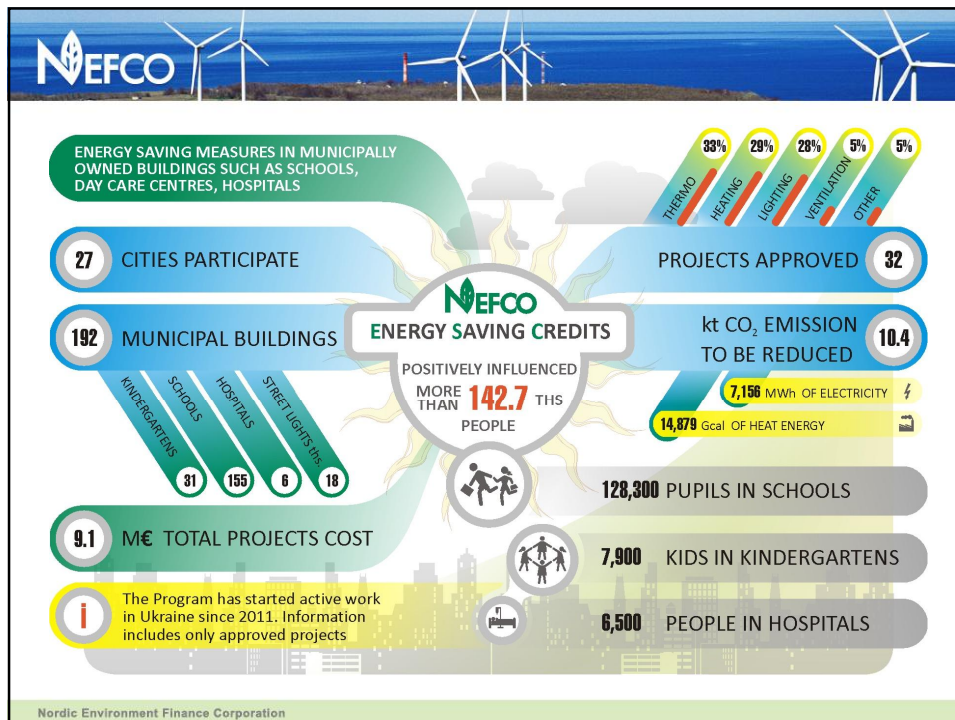
| | |
|---|---|
| <ul style="list-style-type: none"> • <u>The project is implemented</u> • Total investments: 3,6 mil UAH incl. NEFCO loan 3 mil UAH • Annual savings: <ul style="list-style-type: none"> - funds - 720 ths UAH/year - electricity – 80%, heat – 60%, | <p style="text-align: center;">Measures:</p> <ul style="list-style-type: none"> - Replacement of the 1665 street lights with incandescent lamps <u>Preschool No. 21</u>: walls insulation, new windows, metering and control devices for heating, roof insulation, new heat exchanger |
|---|---|

Repayment: up to 5 years





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NEFCO Investment Fund/E5P

Focus on medium sized projects

- Loan financing
- Size of investments up to EUR 5 million
- Proven technology must be applied
- The project must deliver measurable reductions of emissions or discharges
- Ecological cost efficient and bankable projects
- Direct and indirect positive effects
- 9 E5P projects in the NEFCO pipeline
- Municipal guarantees

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ENERGY EFFICIENCY IMPROVEMENTS IN PUBLIC BUILDINGS IN THE CITY OF CHERNIVTSY


The project in partnership with Sida, E5P and GIZ “Energy Efficiency in the communities” which provided technical support and partially financed energy audits;

- **33 public buildings** including demonstration project for a swimming pool
- The project will improve the learning environment and class conditions of more than **14,000 pupils**

Measures:

| | |
|---------------------|---------------------|
| -Building envelope | -Kitchen appliances |
| -Heating system | -Heat pump |
| -Ventilation system | - Lighting |

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Cleaner Production Facility

- Loans EUR 100 000 – 500 000 for projects aimed at efficient use of natural resources
- Maximum loan amount – up to 90% of total project cost
- 6% interest rate, loan in EUR
- Security: 125%-200% of loan amount/municipal guarantee
- Loan repayment: equal quarterly installments
- Payback: 4 years
- Possible grace repayment period during construction works.
- Purchases on the base of tender. Any company can participate in tender.

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Modernization and reconstruction of water supply and drainage systems in the city of Lutsk

- NEFCO loan – EUR 495 000,
- Water utility contribution – EUR 55 000
- Annual savings: electricity and water in amount of EUR 137 000
- Payback: 4 years

Main conditions:


- loan up to EUR 500 000/project
- 6% fixed interest rate

For municipal enterprises:

- Municipal guarantee
- Technical assistance from Sida for development of business plan



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Modernization of the steam generation system at Pivdenagroprom LLC

Activities:

- Crop production (vegetables, grain, gardening, industrial crop)
- Processing and canning of agricultural products (8 ths. cans/year)

Measures:

- Replacement of gas boiler for solid fuel boiler
- Insulation of steam transportation system

Total investments: EUR 500 ths.

- NEFCO loan - 89%
- Annual savings:
 - funds – EUR 167721
 - heat energy (steam)– 80%
 - Natural gas – 554000 m³/y
- Payback: 3 years
- The second disbursement is expected soon

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Varför Lönar det sig att samarbeta med NEFCO?

- NEFCOs finansiering reducerar risker i projekten
- NEFCO har lång och gedigen erfarenhet av lånefinansiering i Östeuropa
- NEFCO erbjuder en lång rad olika finansieringsalternativ
- Miljöexpertis och finansiell sakkunskap
- Nyttiga nätverk till myndigheter och företag i våra verksamhetsländer



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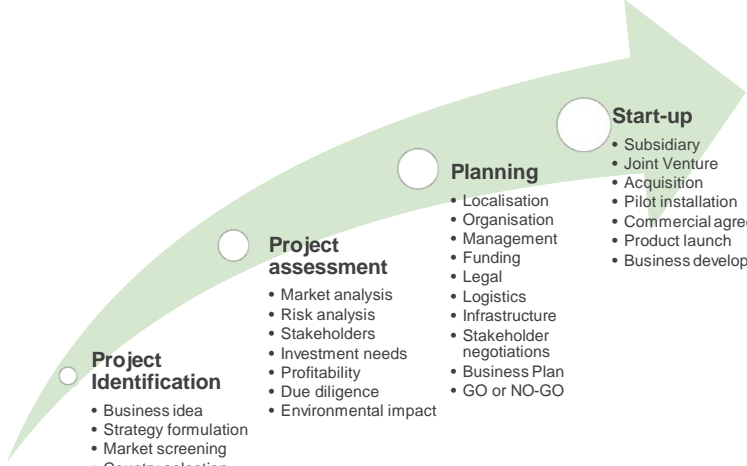
Nordic Project Fund - Nopef

- Established and funded by the Nordic Council of Ministers
- As of January 2014 Nopef is administered by NEFCO
- Nopefs objective is to strengthen the international competitiveness of Nordic small and medium sized enterprises (SME)
- Funding for feasibility studies that aim at a foreign business set-up or investments outside the EU/EES within the environmental sector
- 40 Percent of costs maximum 50 000 EUR
- Since 1982 Nopef has granted 95 million euros in funding distributed over some 2600 projects

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Nopefs role in the internationalisation process



- Project Identification**
 - Business idea
 - Strategy formulation
 - Market screening
 - Country selection
- Project assessment**
 - Market analysis
 - Risk analysis
 - Stakeholders
 - Investment needs
 - Profitability
 - Due diligence
 - Environmental impact
- Planning**
 - Localisation
 - Organisation
 - Management
 - Funding
 - Legal
 - Logistics
 - Infrastructure
 - Stakeholder negotiations
 - Business Plan
 - GO or NO-GO
- Start-up**
 - Subsidiary
 - Joint Venture
 - Acquisition
 - Pilot installation
 - Commercial agreements
 - Product launch
 - Business development

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Thank you for your time!

Internet: www.nefco.org

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