



# NEFCO and Nopef grant funding for feasibility studies in Central Asia

Matchmaking between Nordic and Baltic SME's and clusters for joint exportability in Central Asia

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# NEFCO in brief

- The Nordic Environment Finance Corporation (NEFCO) is an International Financial Institution established by the Nordic Governments in 1990.
- NEFCO was created – after the collapse of the Soviet Union – in order to support the Nordic countries' efforts to **increase environmental awareness in Eastern and Central Europe**
- NEFCO provides **results-based green financing** by providing financing to projects that reduced emissions harmful to the environment.
- Funds to a total value of approx. EUR 470 million and approx. EUR 156 million in own capital
- Headquartered in Helsinki with 30 employees representation in Russia and Ukraine



# NEFCO's financial instruments

- **Loans and equity**

Loans on market terms and, in special cases, on favorable terms to private and public companies as well as municipalities. Share capital in companies for environmental investments of interest to the Nordic countries.

- **Buyers credits**

Export credits for environmental projects in Eastern Europe

- **Project support / grants**

Project financing in the Arctic, Barents and Baltic Sea area

- **Grants for internationalisation**

Conditional loans for feasibility studies for the internationalisation of Nordic SME's

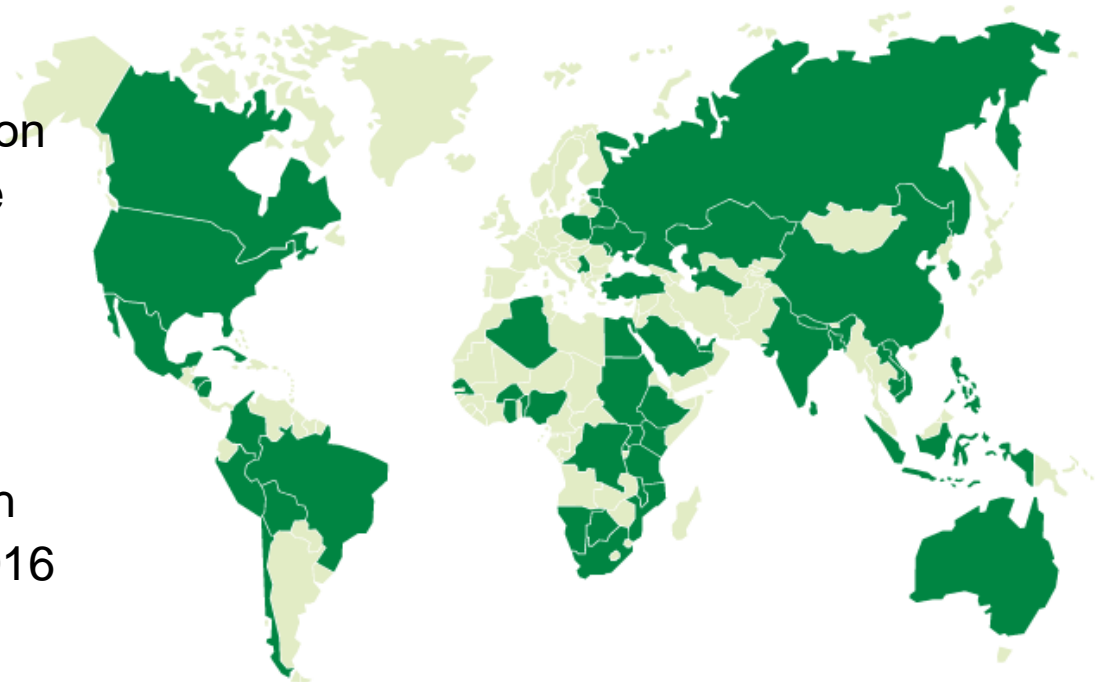
- **Fund management**

Funds for the implementation of climate investments and green projects



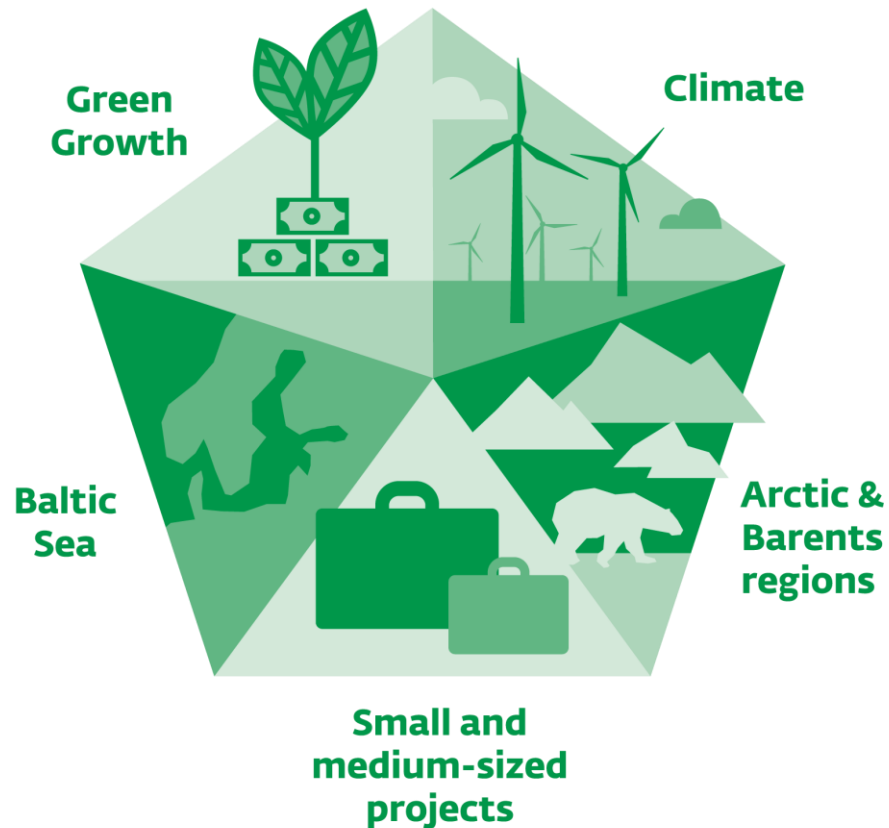
# Where we are

- NEFCO invests its own capital through its Investment Fund, and manages some 30 trust funds governed by different geographical mandates.
- NEFCO's Investment Fund is focused on projects in Eastern and Central Europe
- Key areas Russia, Ukraine, Belarus, Estonia, Latvia, Lithuania, Poland Armenia, Georgia and Moldova,
- **Opportunities in Central Asia** through NEFCO new mandate signed 14.12.2016
- A global presence through Trust Funds related to climate and Green growth





# Focus areas for NEFCO



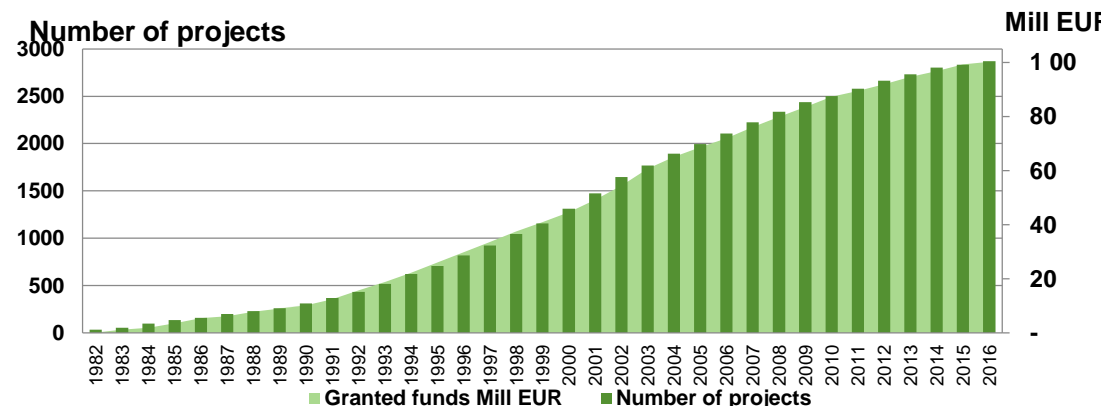
- NEFCO's new strategy will enable to explore new projects outside Eastern Europe by providing loan capital and equity globally for relevant green growth investments of interest to the owner countries Denmark, Finland, Iceland, Norway and Sweden
- Targeting the reduction of pollutants affecting the **Baltic Sea** and the **Arctic and Barents regions**, and
- To enhance existing activities and initiate new interventions related to further prevent **Climate Change**
- The promotion of **Green Growth**
- Focus on **small and medium-sized projects**

# Nordic Project Fund (Nopef)

## Grants for internationalisation

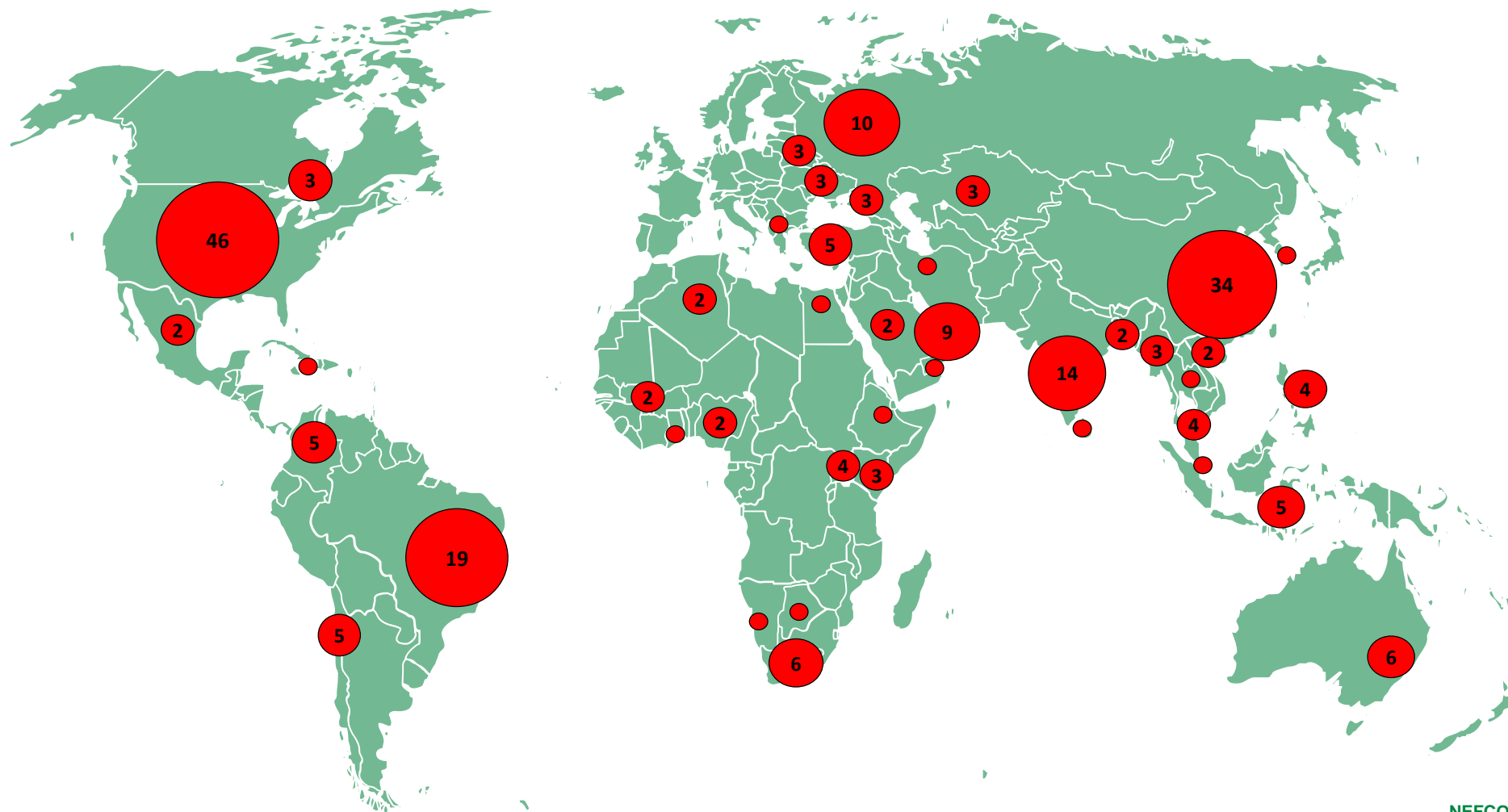
- Nopef established by the Nordic countries 1982, part of NEFCO since 2014
- Objective to strengthen the international competitiveness of Nordic SME's
- Focus on Green Growth
- Grants for feasibility studies outside EU/Efta
- Funded by the Nordic Council of Ministers
- Over 100 million EUR in funding for some 2900 projects
- Contributed to the internationalisation of 1000 Nordic SME's

Nopef accumulated  
project activity  
1982-2016



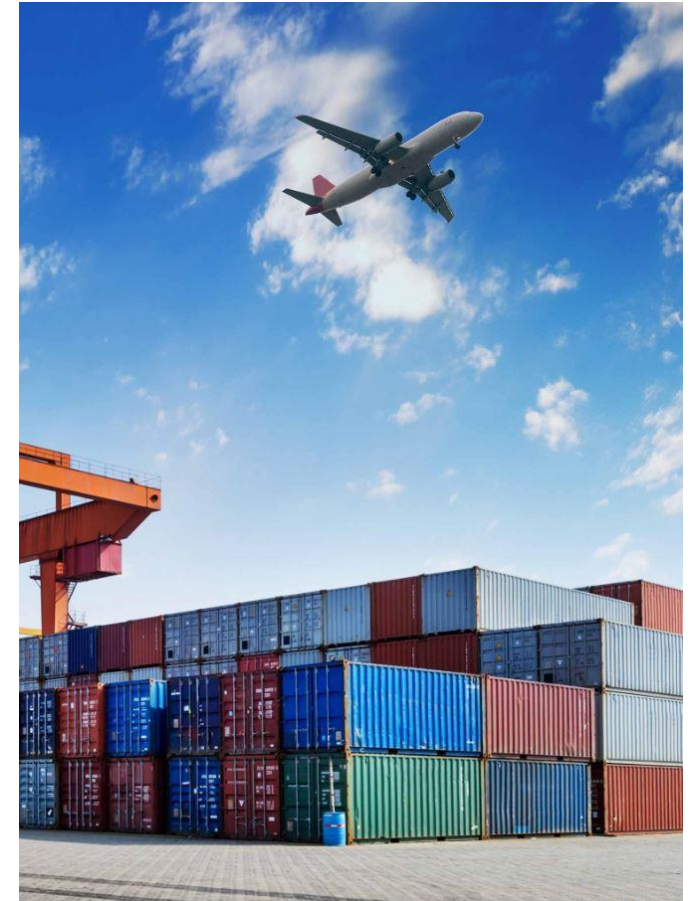
# A global project presence

229 co-financed projects by Nopef since 2014



# Why support for SME internationalisation matters

- The SME sector represent 67 % of private sector jobs and 85 % of job creation in the Nordic region
- An estimated 90% of global growth this year will originate from outside the EU
- Emerging economies could account for 60% of world GDP by 2020
- Internationally active SME's show higher growth in jobs and turnover
- Strong relationship between internationalisation and innovation



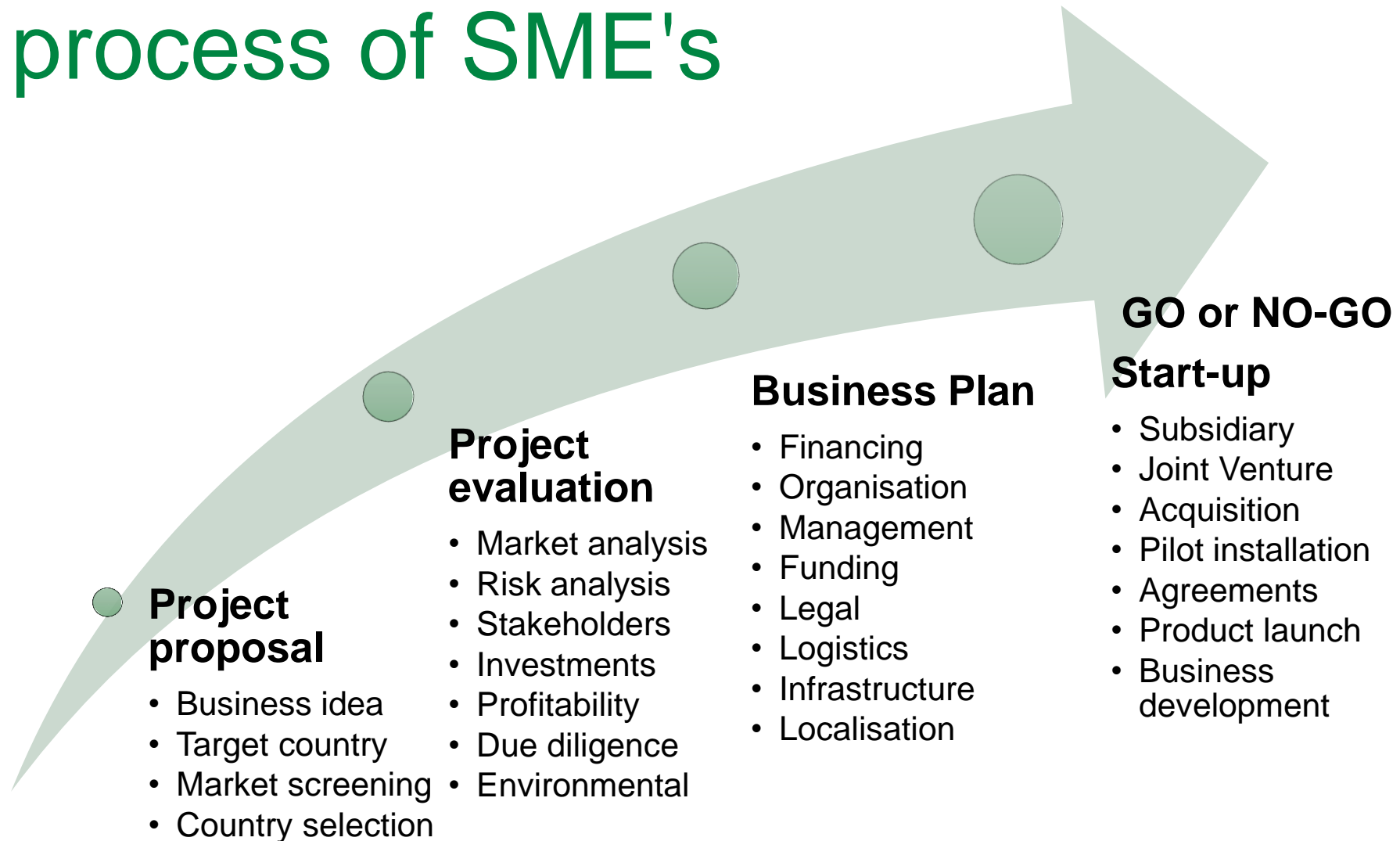
Source: EU Commission, IMF  
Photo: Shutterstock



# Challenges and barriers for SME-internationalisation



# Nopefs role in the internationalisation process of SME's



# Nopefs added value to SME's

- A unique financing instrument for Nordic SME's
- Support in an early stage of internationalisation
- Risk sharing on new demanding markets
- A more informed investment decision
- Information och advice based on 30-years of experience
- Transfer of business models, solutions and best practices



# Nopef grant funding for feasibility studies in Central Asia

- Funding for feasibility studies aiming at establishment of permanent business activities in Central Asia
- Interest-free conditional loans of up to 40% of the approved feasibility study costs for a maximum amount of EUR 50,000
- Salaries, travel, consultants, legal,
- Market research, risk analysis, business plan





# Nopefs project criteria

- SME's with operation in the Nordic region and
- Commercially proven products or services
- Clearly defined and financially viable projects
- Investments and establishment of permanent business activities
- Total **de minimis support** received over a 3 year period not exceeding EUR 200 000
- Positive environmental impact and promotes **Green growth**



# Nopefs focus on Green Growth

**OECD:**

***Green growth*** means promoting economic growth while reducing pollution and greenhouse gas emissions, minimising waste and inefficient use of natural resources, and maintaining biodiversity.





# Focus on Green Growth

## Business areas for Nopef funding in Central Asia



**Energy and material efficiency**



**Renewable energy**



**Infrastructure and Grids**



**Building technology**



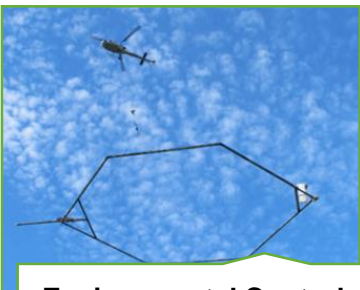
**Recycling and Waste management**



**Water treatment**



**Air and ventilation technology**



**Environmental Control and monitoring**



**Automation and Control Technology**



**Materials handling and Logistics**



**Intelligent Systems and Green ICT**



**Response and Safety Technology**



#### CASE STUDY

## FERTILISERS FROM ORGANIC WASTE IN CHINA

- The Norwegian company HØST AS has innovated processes to reuse organic waste by converting it into energy, fertiliser, soil and soil amendments.
- Yunnan Sino-Norway Bio-Engineering Co. Ltd. assists the Chinese authorities in handling organic waste, addressing water pollution and mitigating greenhouse gas emissions.
- The plant has an annual production capacity of up to 50,000 tonnes of fertiliser.
- The project was initiated after a feasibility study co-financed by the Nordic Project Fund.





## CASE STUDY

# ENERGY CONSULTING SERVICES IN GEORGIA

- Established in 2008 and today on of Iceland's leading engineering and consulting companies
- LP-VERKIS was established in January 2016 by Icelandic firms Landsvirkjun Power and Verkís Consulting Engineers, following eight years of cooperation on hydropower projects in Georgia.
- LP-Verkis LLC provides design and consulting services in the field of hydropower, geothermal energy and infrastructure as well as power plant operation, rehabilitation and maintenance services based on decades of Icelandic and international experience



## CASE STUDY

# MICRO TURBINES FOR INDUSTRIAL USE IN BELARUS

- Aurelia Turbines Oy established in 2013 in order to commercialize technology developed at Lappeenranta University of Technology, Finland within micro turbines
- Aurelia's combustion process has been developed to use renewable and other non-standard fuels.
- Belarus has a huge demand for improvements of existing energy infrastructure, end customers include small industries, energy companies, utilities, oil and gas sector
- A Joint Venture and agreement on delivery of five turbines has been signed in 2016

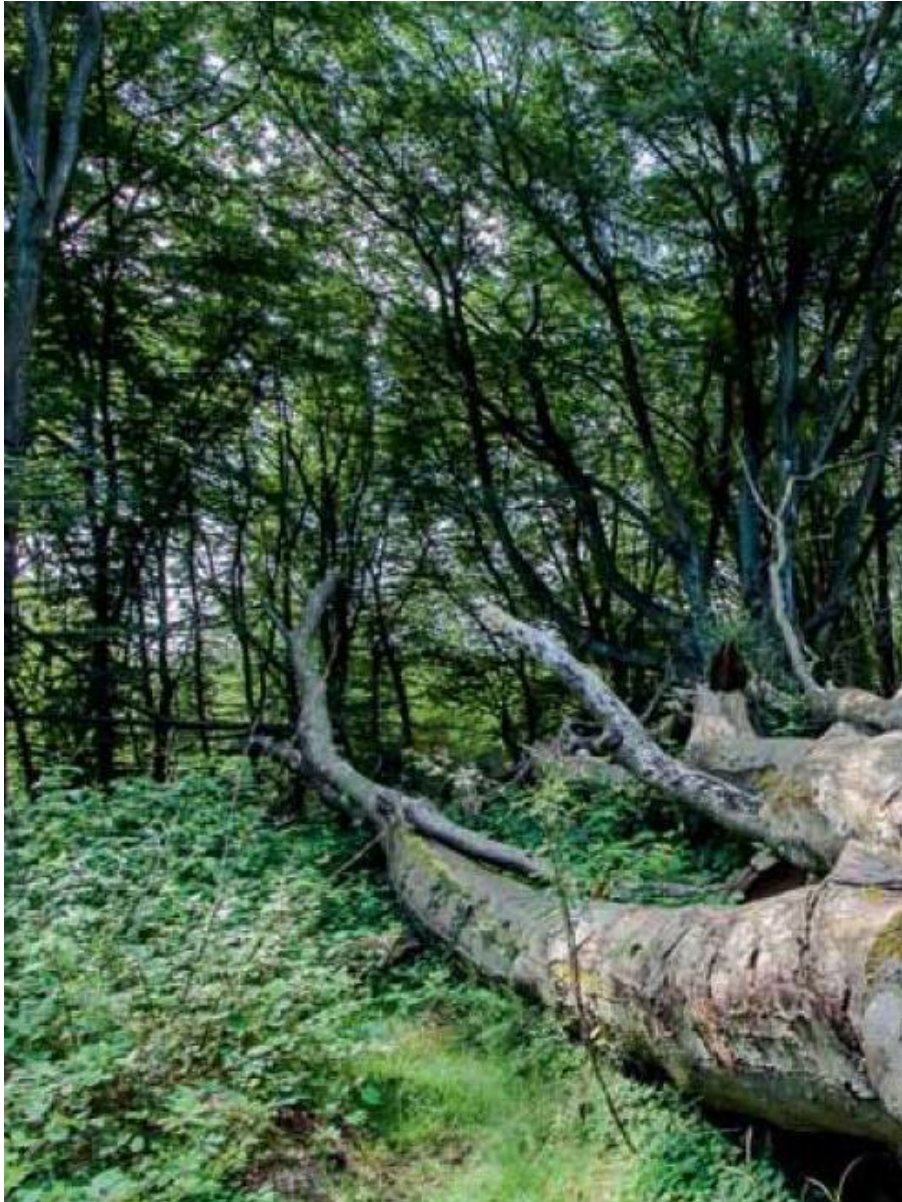




## CASE STUDY

# CONSULTING WITHIN THE TELECOMS SECTOR IN MYANMAR

- Telcon A/S established 2005 to deliver services and consulting within the telecoms sector
- Telcon offer everything from site acquisition to project management as well as maintaining contact to landowners and authorities.
- Demand for improved energy efficiency in the telecoms sector in Myanmar.
- Established offices with 30 employees in Yangon, Myanmar following feasibility study co-funded by Nopef



#### CASE STUDY

## BIOENERGY PLANT FOR HEAT AND POWER TO CHINA

- Nordautomation Oy was founded 1991 to serve the wood processing industry and has long experience in mechanical, electrical and automation engineering.
- Has developed is a multi-biofuel power plant that produce heat and also electric power
- In China, there are a lot of different solid waste (plastic, food and animal residues) and land biomass (straw, husk, woodchip), which can be utilized
- Nordautomation has signed JV agreement to build a pilot plant for testing and in time to make required preparations for starting series production



# Checklist for Nopef feasibility study grants

- ✓ The applicant is an **SME with operations in the Nordic region**
  - ✓ Commercially **established products or services**
  - ✓ Within Nopefs **Green growth** mandate
  - ✓ The project targets a **permanent business establishment**
- 
- Funding applications are accepted continuously
  - The application process on average takes 5-6 weeks
  - Start by visiting [www.nopef.com](http://www.nopef.com) and sending a contact request



# Thank you for listening!

Mikael Reims  
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